STATE OF MISSOURI

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 1988

JOHN ASHCROFT
Governor

JOHN A. PELZER
Commissioner
Office of Administration

JAMES A. CARDER
Director
Division of Accounting

Prepared by
Office of Administration, Division of Accounting

STATE OF MISSOURI

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 1988

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The Introductory Section includes material to familiarize the reader with the contents of the report, the organizational structure and financial operations of the State.

John Ashcroft
Governor

John A. Pelzer
Commissioner

State of Missouri
OFFICE OF ADMINISTRATION
Post Office Box 809
Jefferson City
65102

James A. Carder, Director
Division of Accounting

December 27, 1988

The Honorable John Ashcroft
Governor
State of Missouri
State Capitol
Jefferson City, Missouri 65101

Dear Governor Ashcroft:

The Comprehensive Annual Financial Report of the State of Missouri for the fiscal year 1988, is submitted herewith. This report was prepared by the Office of Administration, Division of Accounting, whose management is responsible for the contents of the financial statements and other information presented herein. The report presents the financial position and operating results of the State in accordance with generally accepted accounting principles, as well as traditional budgetary basis presentations. We believe the data presented is accurate in all material respects and that all disclosures necessary to enable the reader to gain a reasonable understanding of the State's financial activities have been included.

Method of Presentation

The reporting approach established by the National Council on Governmental Accounting in Statement 1 and endorsed by the Governmental Accounting Standards Board has been utilized. The report is divided into an Introductory Section, a Financial Section and a Statistical Section. The Introductory Section provides information on the general contents of the report. The Financial Section is composed of the Auditor's Opinion, the Combined Statements, the Notes to the Financial Statements and the Combining Financial Statements. The Combined Statements do not provide a consolidated State financial statement; rather, they present funds by fund type to provide an overview of the State's financial position and results of operations. The statements which reflect these combined fund types are referred to as the General Purpose Financial Statements and the auditor's opinion is rendered upon these and their accompanying notes. The Statistical Section provides various financial, economic and demographic data about the State.

Reporting Entity

This report includes funds and account groups of various departments, agencies and other organizational units for which the State exercises oversight authority. The following criteria were used in determining if a particular entity should be included in this report: selection of governing authority, the ability to significantly influence operations, accountability for fiscal matters and the scope of public service. The following organizations (component units) meet the oversight criteria and are included in the State's financial statements:

- Board of Public Buildings
- Housing Development Commission
- Higher Education Loan Authority
- State Environmental Improvement and Energy Resources Authority
- Industrial Development Board
- Health and Educational Facilities Authority
- Agriculture and Small Business Development Authority
- Deferred Compensation Commission
- State Colleges and Universities

The State provides a range of services in the areas of agriculture, education, health and social services, transportation systems, public safety, law enforcement, judicial systems, economic development, conservation and natural resources, labor relations and general administration.

Economic Condition and Outlook

Economic growth along with sound fiscal management have kept Missouri financially stable. The Missouri economy exhibited solid economic growth during fiscal year 1988. Missouri personal income rose at a 6.0% rate during fiscal year 1988. A major source of this strength was the "Services" sector which had an 8.9% growth in personal income during fiscal year 1988. Fiscal year 1988 general revenue growth was 9.6%.

The near term economic outlook is one of moderate real growth coupled with relatively low rates of inflation. This economic climate, along with federal tax changes should generate solid revenue growth for the State in fiscal year 1989.

General revenue collections in fiscal year 1988 were $3,424.0 million, 9.6% above fiscal year 1987 collections. The Office of Administration projects fiscal year 1989 general revenue collections at $3,660.1 million. Fiscal year 1989 general revenue growth is expected to be led by both the individual and corporate income taxes. The fiscal year 1989 budget is based upon an extensive examination of current economic trends and long-term forecasts of the national and state economy and their impact on State revenues.

Federal court-ordered payments for the St. Louis and Kansas City desegregation plans will rise to $235 million which is about six percent of the State's general revenue budget. Total desegregation costs have risen from $57 million in fiscal year 1985 to an expected $235 million in fiscal year 1989. Desegregation expenditures, court orders and other developments are continually monitored to provide the best possible anticipation and forecast of future costs.

Major Initiatives

Fiscal year 1988 was an important year for Missouri's education reform, which began in 1985 with the Excellence in Education Act. The School Foundation Program, which provides basic State support for public schools, was increased by $84 million.

Appropriations from the Excellence in Education Fund of $19 million were made for fiscal year 1988 for such programs as career ladder, teacher salary minimums, pupil and teacher testing, tuition reimbursement for teachers and incentive grants for school excellence. Fiscal year 1988 appropriations provided $41.9 million in increases for public higher education institutions. This included an increase of $6.3 million in State support for community and junior colleges.

Economic development programs initiated in fiscal year 1988 took new steps to expand job opportunities for Missourians. These programs will continue to stimulate export of Missouri products, speed up adoption of new technologies, accelerate new investment and job creation, and expand tools available to local governments in their own economic development efforts.

In fiscal year 1988 Missouri invested a total of $112.1 million in its capital assets with appropriations for maintenance and construction projects throughout the State.

Included in this total were capital appropriations for:

- $29.9 million for construction and maintenance projects at our universities and colleges.
- $5.4 million for renovations and maintenance projects at prison facilities.
- $10.1 million for maintenance, renovation and construction projects at our State parks.
- $5.2 million for renovation and maintenance of mental health facilities.

Accounting System and Budgetary Control

The State's financial statements for general government operations, expendable trust funds and agency funds have been prepared on the modified accrual basis of accounting in conformity with generally accepted accounting principles. Revenues are recognized when measurable and available to finance current expenditures; expenditures are recognized when the related liability is incurred. The proprietary, non-expendable trust, pension and insurance trust, and college and university funds are accounted for on the accrual basis. A summary of the State's significant accounting policies and other necessary disclosures is included in the notes to the financial statements.

The State's internal accounting controls provide reasonable assurance regarding the safeguarding of assets against loss from unauthorized use or disposal and the reliability of financial records for preparing financial statements. The concept of reasonable assurance recognizes that the cost of a control should not exceed the resulting benefit.

In addition, the State maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget passed by the State legislature and approved by the Governor prior to the beginning of the fiscal year. If appropriations are not sufficient for a fiscal year, supplemental amounts are requested during the next legislative session by the same process as original appropriations are requested. Budgetary control is maintained at the departmental level. Expenditures cannot exceed the appropriation amounts at the individual appropriation level. Also, the Governor has the authority to reduce the allotments or appropriations in any fund if it appears that revenues for the fiscal year will fall below the estimated revenues. Unexpended appropriations lapse at the end of each appropriation year.

Encumbrance accounting under which purchase orders, contracts and other commitments for the expenditure of moneys are recorded in order to reserve that portion of the applicable appropriation, is employed for purposes of budgetary control. Encumbrances at year end do not constitute expenditures or liabilities.

General Government Functions

Revenues for general government functions (General, Special Revenue, Debt Service and Capital Projects funds) totaled $6.1 billion in fiscal year 1988, an increase of 8.8% over fiscal year 1987. Taxes produced 67.3% of general revenues compared to 64.6% last year and were the primary factor in the increase of general government revenues. The increase in tax revenues was attributed to Federal Tax Law changes which resulted in higher individual and corporate income levels. The amount of revenues from various sources and the increase over last year are as follows (in thousands of dollars):

Revenue Sources	Amount	Percent of Total	Increase (Decrease) from 1987	Percent of Change
Taxes	$4,079,040	67.27%	$ 478,840	13.30%
Licenses, Fees and Permits	292,717	4.83	7,426	2.60
Sales	12,826	0.21	417	3.40
Leases and Rentals	1,008	0.02	(18)	(1.75)
Services	64,939	1.07	8,770	15.61
Contributions and Intergovernmental	1,517,320	25.02	(15,582)	(1.02)
Interest, Penalties and Unclaimed Properties	87,557	1.44	11,840	15.64
Miscellaneous	8,190	0.14	(3,773)	(31.54)
Total Revenues	$6,063,597	100.00%	$ 487,920	8.75%

Expenditures for general government functions (General, Special Revenue, Debt Service and Capital Projects Funds) totaled $6.2 billion in fiscal year 1988, an increase of 6.7% over fiscal year 1987. The expenditure increase is attributed to increases in basic State support for public schools and in State support for community and junior colleges.

The increases in general government expenditures by function over the preceding year are as follows (in thousands of dollars):

Function	Amount	Percent of Total	Increase (Decrease) from 1987	Percent of Change
Current:				
General Government	$ 361,777	5.84%	$ 20,662	6.06%
Education	2,489,140	40.26	231,566	10.26
Natural and Economic Resources	376,158	6.08	4,912	1.32
Transportation and Law Enforcement	790,798	12.78	30,783	4.05
Human Services	1,829,450	29.57	118,759	6.94
Capital Outlay:				
Current Expenditures	265,566	4.29	3,839	1.47
Capital Lease Purchases	2,439	0.04	(52,143)	(95.53)
Debt Service:				
Principal	10,705	0.17	3,310	44.76
Interest	59,963	0.97	18,493	44.59
Total Expenditures	$6,185,996	100.00%	$ 380,181	6.55%

Tax Limitation

Article X, Sections 16-24 of the Constitution of Missouri (the "Tax Limitation Amendment"), imposes a limit on the amount of taxes which may be imposed by the General Assembly in any fiscal year. This limit is tied to total State revenues for fiscal year 1981, as defined in the Tax Limitation Amendment and adjusted annually, in accordance with the formula set forth in the amendment which is tied to increases in the average personal income of Missouri for certain designated periods. If the revenue limit is exceeded by 1% or more in any fiscal year, the excess revenues will be refunded pro-rata based on the liability reported on the State income tax return. If the excess revenues collected is less than 1% of the revenue limit, the excess revenues shall be transferred to the General Revenue Fund. The revenue limit can be exceeded by a constitutional amendment duly adopted by the people or if the General Assembly approves by a two-thirds vote an emergency declaration by the Governor. The Office of Administration has determined that the revenue limit was not exceeded in fiscal year 1988.

Fund Balance

The State ended fiscal year 1988 with an unreserved fund balance (surplus) of $580.5 million for the governmental funds. Following is a table presenting a comparison of the 1988 and 1987 fiscal year unreserved fund balances (in thousands of dollars) for the funds comprising this figure.

Fund	1988	1987	Change
General	$ 109,433	$ 95,699	$ 13,734
Special Revenue	235,053	219,737	15,316
Capital Projects	236,022	152,844	83,178

Proprietary Operations

The State has several significant proprietary entities which contribute a vital part of governmental services. The Board of Public Buildings constructs and maintains State buildings. The Housing Development Commission is authorized to make or purchase mortgage loans, the funds of which are used to develop new or rehabilitate low and moderate income housing. The Higher Education Loan Authority provides a secondary market for loans made under the insured student loan program. The Health and Educational Facilities Authority assists in financing health and educational facilities for not-for-profit institutions within the State. The State Lottery Commission oversees the lottery operations and controls.

Pension Funds

The State has two retirement systems, the Missouri State Employees' Retirement System (MOSERS) and the Highway Employees' and Highway Patrol Retirement System (HEHPRS). Some key actuarial amounts for the systems (in thousands of dollars) at June 30, 1988 were:

	MOSERS	HEHPRS
Pension benefit obligation	$1,271,944	$ 665,948
Net assets available, at cost	1,216,638	357,869
Unfunded pension benefit obligation	$ 55,306	$ 308,079

The annual actuarial valuation continues to reflect a positive trend in the State's funding of the retirement systems.

Debt Administration

The amount of general obligation debt that can be issued by the State is limited to the amount approved by citizen vote plus the amount of $1 million. The State's debt limit at June 30, 1988 was $951,000,000 of which $111,505,760 was unissued. The general obligation debt position of the State at June 30, 1988 was as follows:

General obligation bonded debt (net of Debt Service Fund balances)	$ 722,368
Debt per capita	$ 140.76

During fiscal year 1988, $10,705,000 of the bonds were retired, $201,320,000 of the bonds were refunded and $329,830,000 of new bonds were issued. At year end, the total bonded debt outstanding was $804,330,000 and the interest rate range was .05 - 9.7%.

The State's general obligation bond issues received triple "A" ratings from Moody's Investors Service and Standard and Poor's Corporation.

Cash Management

During the year, cash from the various State funds are invested by the State Treasurer. Most of these funds' cash balances are pooled for investment purposes. The State also invests its "float" which increases the earning power. Cash was invested in time deposits with maturities ranging from 30 to 365 days, in U.S. Treasury and federal agency securities with maturities ranging from 1 to 1,096 days and in repurchase agreements with maturities ranging from 1 to 90 days. At June 30, 1988, these investments consisted of:

	Amount	Interest Rates
Time Deposits	$ 567,481,132	3.50% to 8.20%
Treasurer and Agency Securities	290,612,735	6.13% to 8.86%
Repurchase Agreements	433,239,500	7.05% to 7.96%

The average yield on maturing investments during the year was 6.41% and the amount of interest received was $68,727,650.

Risk Management

The State assumes substantially all risks associated with:

- Claims of State employees for unemployment compensation benefits,
- Claims of covered employees for worker's compensation and Second Injury Fund benefits, and
- Claims of covered employees for medical insurance, and group life insurance benefits (third party administrators, however, provide claims administration services).

The State also maintains a Legal Expense Fund which purchases insurance coverage and self-insures to cover risks associated with:

- Liability claims actionable under the law that parties may file against the State, its agencies, officials, employees or appointees,
- The operation of motor vehicles including aircraft and watercraft, and
- Real property including public buildings, public universities and their contents.

The Highway and Transportation's Self-Insurance Plan covers risks associated with:

- Department of Highway and Transportation's worker's compensation and vehicle liabilities, and
- Highway Patrol's worker's compensation.

Independent Audit

An annual audit of the combined financial statements is completed each year by the State of Missouri Auditor's Office. The Auditor's examination was conducted in accordance with generally accepted auditing standards, and her opinion has been included in this report. The State Auditor conducts a "Single Audit" of all Federal funds.

Acknowledgments

We wish to express our sincere appreciation to the staff of the various State agencies and other organizational units, who provided necessary financial information. The preparation of this report could not have been accomplished without the professionalism and dedication demonstrated by technical and management personnel within the State Auditor's Office, the State Treasurer's Office, Office of Administration and numerous other State agencies. We would like to convey a special thanks to the State Print Shop for their dedicated efforts in assisting us in the preparation of this report.

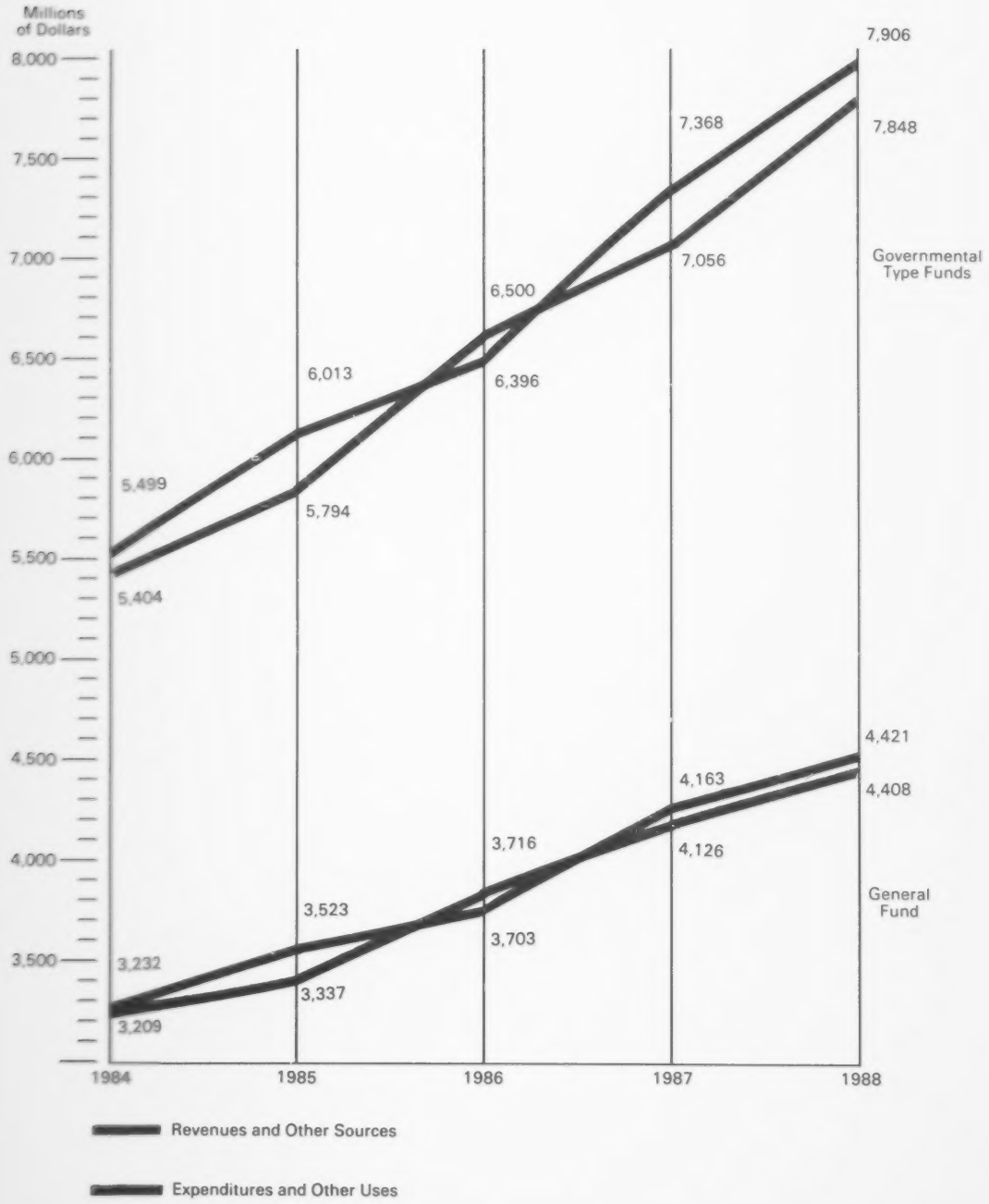
Sincerely,

James A Carder

James A. Carder, Director
Division of Accounting

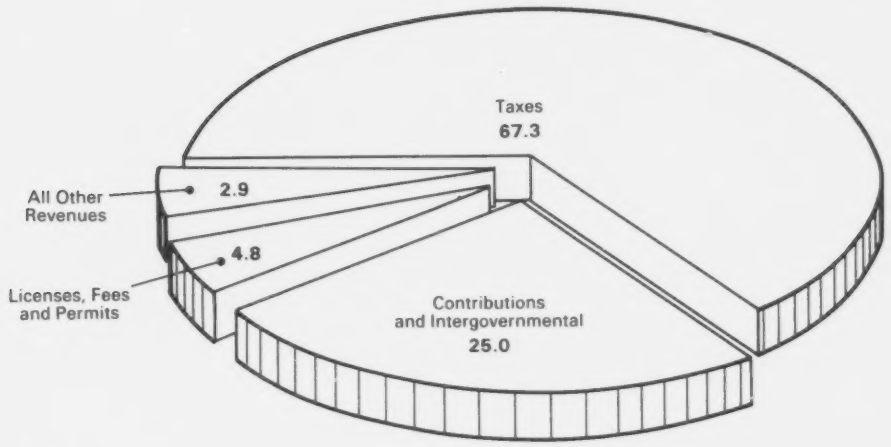
STATE OF MISSOURI
COMPARISON OF REVENUES AND OTHER FINANCING SOURCES AND EXPENDITURES AND OTHER FINANCING USES OF THE GENERAL FUND TO ALL GOVERNMENTAL TYPE FUNDS

For the Fiscal Years Ended June 30, 1984 Through 1988

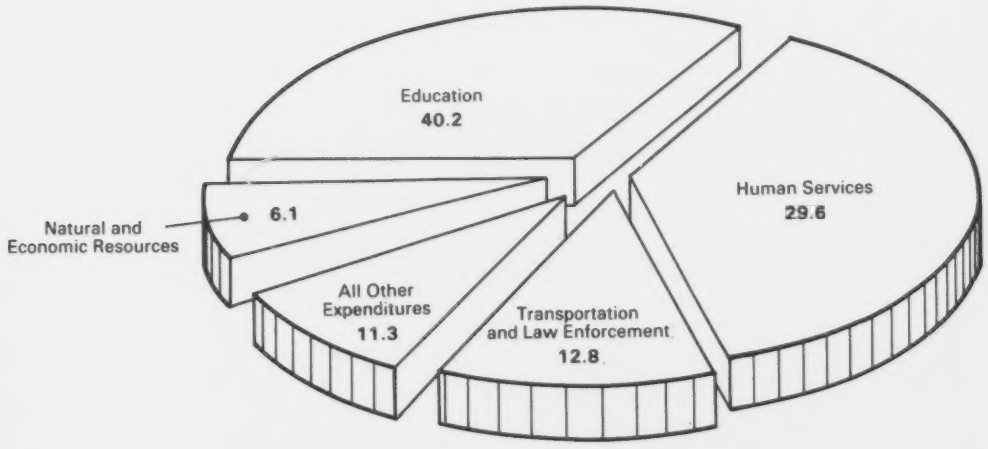


STATE OF MISSOURI
GOVERNMENTAL TYPE FUNDS
For the Fiscal Year Ended June 30, 1988

REVENUES BY SOURCE

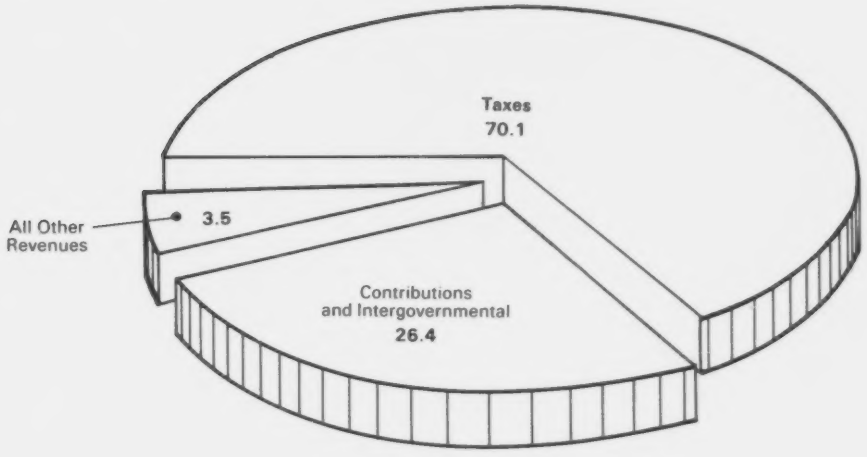


EXPENDITURES BY FUNCTION

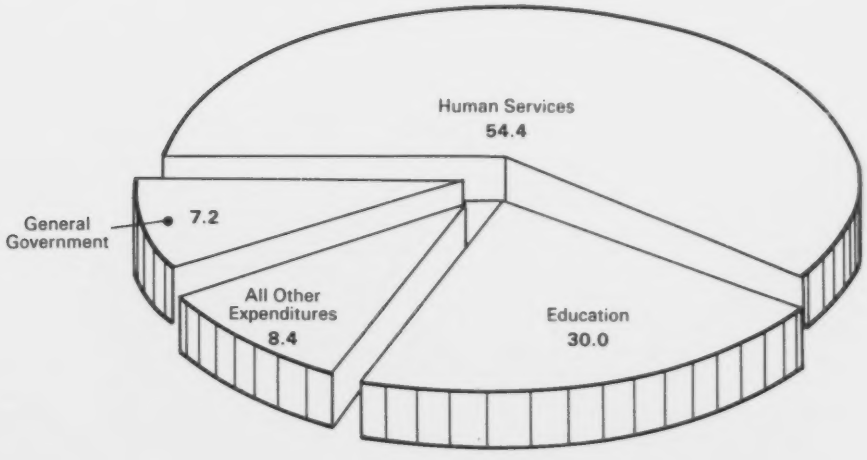


STATE OF MISSOURI
GENERAL FUND
For the Fiscal Year Ended June 30, 1988

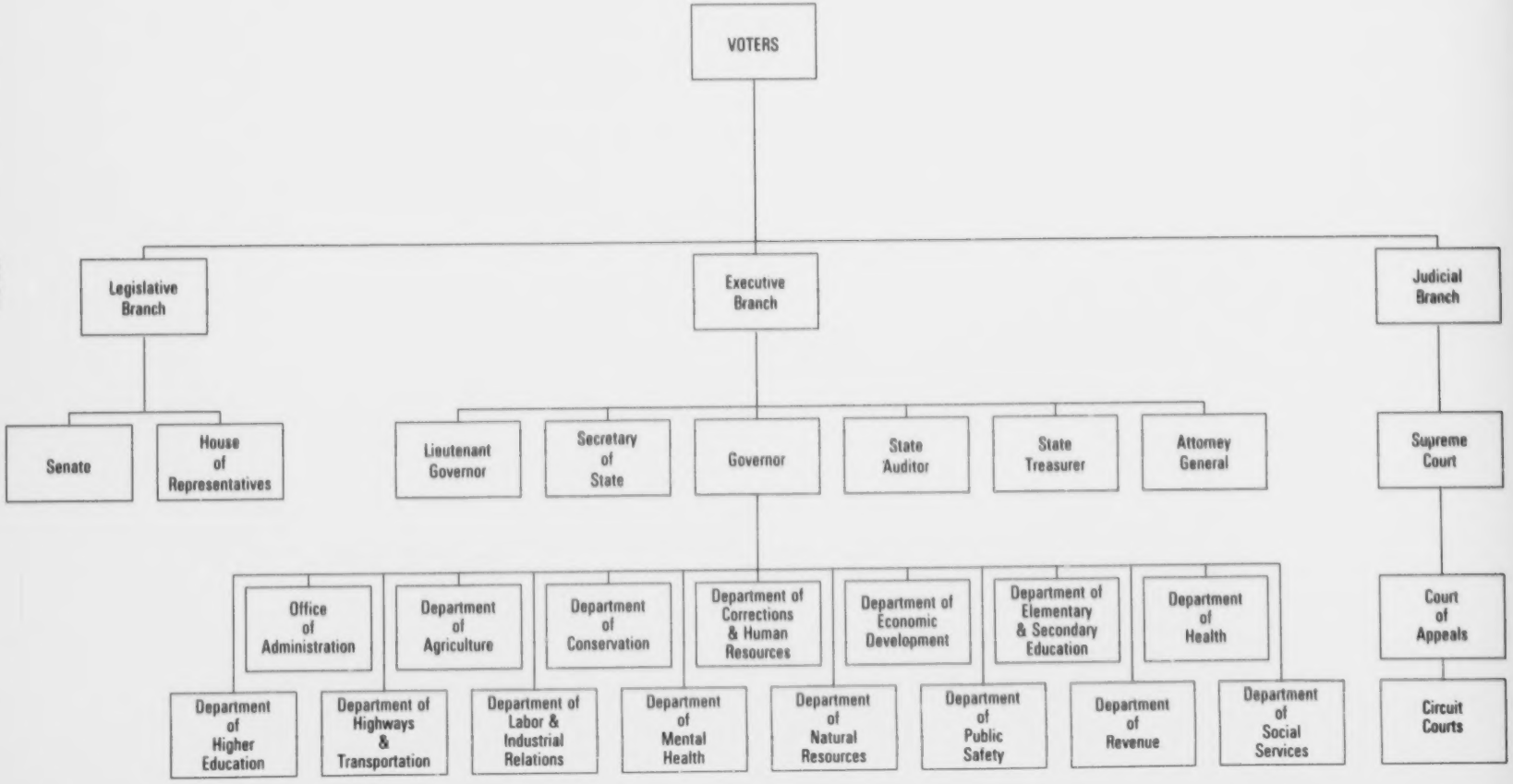
REVENUES BY SOURCE



EXPENDITURES BY FUNCTION



STATE OF MISSOURI
ORGANIZATION CHART
June 30, 1988



STATE OF MISSOURI
PRINCIPAL STATE OFFICIALS
June 30, 1988

EXECUTIVE

John Ashcroft
Governor

Harriett Woods
Lieutenant Governor

Roy D. Blunt
Secretary of State

Margaret Kelly, C.P.A.
State Auditor

Wendell Bailey
State Treasurer

William L. Webster
Attorney General

LEGISLATIVE

John E. Scott
President Pro Tem of the Senate

Bob F. Griffin
Speaker of the House of Representatives

JUDICIAL

William H. Billings
Chief Justice of the Supreme Court

The Financial Section includes combined and individual financial statements for the various funds of the State of Missouri.

STATE AUDITOR OF MISSOURI
JEFFERSON CITY, MISSOURI 65102

MARGARET KELLY, CPA
STATE AUDITOR

(314) 751-4824

INDEPENDENT AUDITOR'S REPORT

Honorable John D. Ashcroft, Governor
and
Members of the General Assembly

We have audited the accompanying general purpose financial statements, identified in the table of contents, of the state of Missouri, as of and for the year ended June 30, 1988. These financial statements are the responsibility of the state's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the Missouri Housing Development Commission, the Missouri Higher Education Loan Authority, the State Environmental Improvement and Energy Resources Authority, the Missouri Health and Educational Facilities Authority, the Agriculture and Small Business Development Authority, and the Missouri State Lottery, which statements constitute 92 percent and 82 percent, respectively, of the assets and operating revenues of the enterprise funds. We did not audit the financial statements of the colleges and universities, which statements constitute 21 percent of the assets for all fund types and account groups. We did not audit the balance sheets of the Deferred Compensation Plan, the Missouri State Employees' Retirement System, the Highway Employees' and Highway Patrol Retirement System, the Missouri State Employees' Medical Care and Life Insurance Program, and the Highway Employees' and Highway Patrol Insurance Plan, which statements constitute 76 percent of the assets of the agency and trust funds. Those statements which we did not audit were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to these amounts, is based solely on the reports of the other auditors.

Except as discussed in the following paragraph, we conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of the other auditors provide a reasonable basis for our opinion.

We were allowed only limited access to tax returns and related source documents for income taxes. Access was limited by the Director of Revenue based on his interpretation of the decision rendered by the Missouri Supreme Court in the case of Director of Revenue v. State Auditor, 511 S.W.2d 779 (Mo. 1974). The general fund, through the General Revenue Fund, receives approximately 44 percent of its revenues from this source. We were unable to satisfy ourselves by appropriate auditing procedures as to the income tax revenue of this fund beyond the amounts recorded as received.

In our opinion, based on our audit and the reports of other auditors, and except for the effects of such adjustments, if any, as might have been necessary had we been able to examine tax returns and related source documents for income taxes, the general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the state of Missouri as of June 30, 1988, and the results of its operations and the changes in financial position of its proprietary fund types and similar trust funds for the year then ended in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund statements and schedules, identified in the table of contents, as well as the "Totals (Memorandum Only)" column on the general purpose financial statements are not required for a fair presentation of the general purpose financial statements, but are presented as additional analytical data. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements referred to above and, in our opinion, based on our audit and the reports of other auditors, and except for the effects, if any, of the matter discussed in paragraph three, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

The statistical information, identified in the table of contents, was not audited by us, and accordingly, we express no opinion on it.

Margaret Kelly

Margaret Kelly, CPA
State Auditor

December 16, 1988

The Combined Statements provide a summary overview of the financial position of all fund types and account groups and of the operating results by fund type. Also, they serve as an introduction to the more detailed statements and schedules that follow.

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STATE OF MISSOURI
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
June 30, 1988
(In Thousands of Dollars)

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
ASSETS				
Cash and Cash Equivalents (Note 2)	$470,727	$309,481	$82,406	$301,507
Investments (Note 2)	---	---	---	---
Receivables	201,507	55,920	963	46,077
Due from Other Funds (Note 10)	13,406	1,104	116	15,834
Inventory and Prepaid Items	9,921	1,648	---	35,300
Deferred Charges	---	---	---	---
Loans Receivable	---	---	---	---
Restricted Assets (Note 2)	---	---	---	---
Fixed Assets (Note 3)	---	---	---	---
Accumulated Depreciation (Note 3)	---	---	---	---
Amount Available in Debt Service Funds	---	---	---	---
Amount to be Provided for Retirement of General Long-Term Debt	---	---	---	---
Total Assets	$695,561	$368,153	$83,485	$398,718
LIABILITIES AND FUND EQUITY				
Liabilities:				
Cash Overdraft	$ ---	$ ---	$ ---	$ ---
Payables	229,490	38,431	---	85,248
Due to Other Funds (Note 10)	14,603	22,964	---	742
Deferred Revenue	79,632	50,499	152	3,842
Bonds Payable - Current (Note 8)	---	---	---	---
Matured Bonds and Interest Payable	---	---	1,371	---
Payable From Restricted Assets	---	---	---	---
Bond and Notes Payable (Note 8)	---	---	---	---
Obligations Under Lease/Purchases (Note 4)	---	---	---	---
Compensated Absences/Pension Benefits	---	---	---	---
Total Liabilities	323,725	111,894	1,523	89,832
Fund Equity:				
Contributed Capital	---	---	---	---
Investment in Fixed Assets	---	---	---	---
Retained Earnings:				
Reserved for Revenue Bonds	---	---	---	---
Reserved for Education	---	---	---	---
Unreserved	---	---	---	---
Fund Balance:				
Reserved for Encumbrances	13,693	19,558	---	37,564
Reserved for Inventory	9,921	1,648	---	35,300
Reserved for Future Distribution	64,254	---	---	---
Reserved for Cash Operations	154,214	---	---	---
Reserved for Taxes	20,321	---	---	---
Reserved for Debt Service	---	---	81,962	---
Reserved for Retirement System (Note 5)	---	---	---	---
Reserved for Insurance Benefits	---	---	---	---
Reserved for Loans Receivable	---	---	---	---
Reserved for Unclaimed Properties	---	---	---	---
Reserved for Colleges and Universities	---	---	---	---
Unreserved	109,433	235,053	---	236,022
Total Equity	371,836	256,259	81,962	308,886
Total Liabilities and Fund Equity	$695,561	$368,153	$83,485	$398,718

Proprietary Fund Types		Fiduciary Fund Type	Account Groups			Totals (Memorandum Only)	
Enterprise	Internal Service	Agency and Trust	General Fixed Assets	General Long-Term Debt	College and University	June 30, 1988	June 30, 1987
$ 130,735	$ 13,441	$ 507,026	$ ---	$ ---	$ 221,559	$ 2,036,882	$ 1,951,001
---	---	1,762,227	---	---	646,261	2,408,488	2,079,079
19,972	5,836	60,231	---	---	212,085	602,591	576,289
39	---	33,638	---	---	5,156	69,293	71,863
1,584	3,450	1	---	---	25,967	77,871	70,717
5,858	---	---	---	---	652	6,510	4,807
2,191,704	---	1,727	---	---	---	2,193,431	1,958,038
765,347	---	---	---	---	---	765,347	806,544
233,128	9,495	2,117	1,253,549	---	1,511,185	3,009,474	2,705,093
(33,849)	(4,895)	(389)	---	---	---	(39,133)	(30,187)
---	---	---	---	81,962	---	81,962	72,399
---	---	---	---	1,228,479	---	1,228,479	1,238,655
$3,314,518	$ 27,327	$2,366,578	$1,253,549	$1,310,441	$2,622,865	$12,441,195	$11,504,298
$ ---	$ ---	$ ---	$ ---	$ ---	$ 1,364	$ 1,364	$ 9,738
25,549	6,332	367,992	---	9,435	84,451	846,928	726,132
8,340	109	17,379	---	---	5,156	69,293	71,863
2,264	323	1,577	---	---	24,626	162,915	132,650
91,879	---	---	---	---	---	91,879	158,429
---	---	---	---	---	1,171	2,542	2,322
68,723	---	---	---	---	6,601	75,324	88,099
2,696,265	---	---	---	804,330	167,535	3,668,130	3,215,975
3	368	---	---	62,601	38,848	101,820	81,976
1,645	381	70	---	434,075	---	436,171	546,223
2,894,668	7,513	387,018	---	1,310,441	329,752	5,456,366	5,033,407
38,173	4,152	---	---	---	---	42,325	42,310
---	---	---	1,253,549	---	1,312,543	2,566,092	2,302,354
246,357	---	---	---	---	---	246,357	322,227
23,000	---	---	---	---	---	23,000	23,000
112,320	15,662		---	---	---	127,982	118,924
---	---	---	---	---	---	70,815	143,648
---	---	1	---	---	---	46,870	43,607
---	---	---	---	---	---	64,254	52,821
---	---	---	---	---	---	154,214	148,516
---	---	---	---	---	---	20,321	27,982
---	---	---	---	---	---	81,962	72,399
---	---	1,574,507	---	---	---	1,574,507	1,349,425
---	---	2,429	---	---	---	2,429	9,860
---	---	1,727	---	---	---	1,727	2,041
---	---	1,008	---	---	---	1,008	1,008
---	---	---	---	---	820,031	820,031	819,754
---	---	399,888	---	---	160,539	1,140,935	991,015
419,850	19,814	1,979,560	1,253,549	---	2,293,113	6,984,829	6,471,891
$3,314,518	$ 27,327	$2,366,578	$1,253,549	$1,310,441	$2,622,865	$12,441,195	$11,504,298

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
For the Fiscal Year Ended June 30, 1988
(In Thousands of Dollars)

	Governmental Fund Types				Fiduciary Fund Type	Totals (Memorandum Only)	
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	June 30, 1988	June 30, 1987
Revenues:							
Taxes	$ 3,044,611	$1,034,429	$ ---	$ ---	$ ---	$ 4,079,040	$ 3,600,200
Licenses, Fees and Permits	45,453	246,176	---	1,088	52	292,769	285,396
Sales	3,659	7,260	---	1,907	---	12,826	12,409
Leases and Rentals	435	102	---	471	3	1,011	1,028
Services	64,939	---	---	---	62	65,001	56,210
Contributions and Intergovernmental	1,145,448	109,738	---	262,134	228,570	1,745,890	1,808,107
Interest, Penalties and Unclaimed Properties	30,660	33,264	4,872	18,761	38,137	125,694	112,566
Miscellaneous Revenues	6,036	620	---	1,534	266	8,456	12,220
Total Revenues	4,341,241	1,431,589	4,872	285,895	267,090	6,330,687	5,888,136
Expenditures:							
Current:							
General Government	240,880	118,986	---	1,911	1,468	363,245	342,587
Education	1,000,693	1,488,340	---	107	251	2,489,391	2,257,750
Natural and Economic Resources	158,960	181,321	---	35,877	236,389	612,547	371,995
Transportation and Law Enforcement	41,576	174,341	---	574,881	---	790,798	760,015
Human Services	1,816,465	12,765	---	220	525	1,829,975	1,955,419
Capital Outlay:							
Current Expenditures	79,798	48,735	---	137,033	649	266,215	262,038
Capital Lease Purchases	441	1,998	---	---	---	2,439	54,582
Debt Service:							
Principal	---	---	10,705	---	---	10,705	7,395
Interest	---	---	59,963	---	---	59,963	41,470
Total Expenditures	3,338,813	2,026,486	70,668	750,029	239,282	6,425,278	6,053,251
Excess Revenues (Expenditures)	1,002,428	(594,897)	(65,796)	(464,134)	27,808	(94,591)	(165,115)
Other Financing Sources (Uses):							
Proceeds of General Obligation Bonds	---	---	---	110,353	---	110,353	381,158
Proceeds from Capital Leases	441	1,998	---	---	---	2,439	54,582
Proceeds of Refunding Bonds	---	---	220,375	---		220,375	---
Payment to Refunded Bond Escrow Agent	---	---	(220,375)	---	---	(220,375)	---
Operating Transfers In	79,701	996,366	75,359	357,943	126	1,509,495	1,348,456
Operating Transfers Out	(1,069,122)	(371,044)	---	(1,207)	(4,460)	(1,445,833)	(1,254,449)
Total Other Financing Sources (Uses)	(988,980)	627,320	75,359	467,089	(4,334)	176,454	529,747
Excess Revenues and Other Sources (Expenditures and Other Uses)	13,448	32,423	9,563	2,955	23,474	81,863	364,632
Fund Balances - Beginning (Note 12)	358,891	223,944	72,399	302,058	372,865	1,330,157	964,112
Increase (Decrease) in Reserve for Inventory	(503)	(108)	---	3,873	---	3,262	1,413
Fund Balances - Ending	$ 371,836	$ 256,259	$ 81,962	$ 308,886	$ 396,339	$ 1,415,282	$ 1,330,157

The notes to the financial statements are an integral part of this statement.

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STATE OF MISSOURI
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
GENERAL, BUDGETED SPECIAL REVENUE, ALL DEBT SERVICE AND BUDGETED CAPITAL PROJECTS FUNDS
For the Fiscal Year Ended June 30, 1988
(In Thousands of Dollars)

	General			Budgeted Special Revenue		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Taxes	$ 3,258,260	$ 3,261,711	$ 3,451	$ 602,776	$ 603,604	$ 828
Licenses, Fees and Permits	51,200	45,570	(5,630)	167,983	166,372	(1,611)
Sales	1,600	3,657	2,057	6,689	7,225	536
Leases and Rentals	---	436	436	---	99	99
Services	65,600	57,831	(7,769)	---	---	---
Contributions and Intergovernmental	1,297,135	1,125,447	(171,688)	52,542	34,934	(17,608)
Interest, Penalties and Unclaimed Properties	22,030	29,928	7,898	14,404	16,987	2,583
Miscellaneous Revenues	23,040	65,311	42,271	407	908	501
Total Revenues	4,718,865	4,589,891	(128,974)	844,801	830,129	(14,672)
Expenditures:						
Current:						
General Government	718,824	652,879	65,945	48,139	46,663	1,476
Education	834,279	783,223	51,056	1,528,345	1,488,376	39,969
Natural and Economic Resources	223,356	151,287	72,069	135,469	114,184	21,285
Transportation and Law Enforcement	53,069	41,198	11,871	131,147	127,772	3,375
Human Services	1,807,624	1,746,529	61,095	10,805	10,690	115
Capital Outlay	69,600	50,540	19,060	42,014	31,891	10,123
Debt Service	---	---	---	---	---	---
Total Expenditures	3,706,752	3,425,656	281,096	1,895,919	1,819,576	76,343
Excess Revenues (Expenditures)	1,012,113	1,164,235	152,122	(1,051,118)	(989,447)	61,671
Other Financing Sources (Uses):						
Operating Transfers In	113,215	96,163	(17,052)	1,243,260	1,248,238	4,978
Operating Transfers Out	(1,225,096)	(1,236,055)	(10,959)	(35,414)	(264,312)	(228,898)
Total Other Financing Sources (Uses)	(1,111,881)	(1,139,892)	(28,011)	1,207,846	983,926	(223,920)
Excess Revenues and Other Sources (Expenditures and Other Uses)	(99,768)	24,343	124,111	156,728	(5,521)	(162,249)
Fund Balances - Beginning	285,047	285,047	---	250,453	250,453	---
Fund Balances - Ending	$ 185,279	$ 309,390	$ 124,111	$ 407,181	$ 244,932	$ (162,249)

Debt Service			Budgeted Capital Projects		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
$ ---	$ ---	$ ---	$ ---	$ ---	$ ---
---	---	---	2,622	1,088	(1,534)
---	---	---	2,622	1,907	(715)
---	---	---	---	471	471
---	---	---	---	---	---
---	---	---	246,450	259,031	12,581
---	4,736	4,736	2,622	3,226	604
---	---	---	7,865	9,035	1,170
---	4,736	4,736	262,181	274,758	12,577
---	---	---	---	---	---
---	---	---	---	---	---
---	---	---	---	---	---
---	---	---	---	---	---
---	---	---	---	---	---
---	---	---	---	---	---
---	---	---	618,432	603,656	14,776
72,675	70,668	2,007	---	---	---
72,675	70,668	2,007	618,432	603,656	14,776
(72,675)	(65,932)	6,743	(356,251)	(328,898)	27,353
83,188	75,360	(7,828)	107,957	357,327	249,370
---	---	---	(10,650)	(9,225)	1,425
83,188	75,360	(7,828)	97,307	348,102	250,795
10,513	9,428	(1,085)	(258,944)	19,204	278,148
71,607	71,607	---	14,724	14,724	---
$ 82,120	$ 81,035	$ (1,085)	$ (244,220)	$ 33,928	$ 278,148

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS/FUND BALANCES
ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS
For the Fiscal Year Ended June 30, 1988
(In Thousands of Dollars)

	Proprietary Fund Types		Fiduciary Fund Types		Totals (Memorandum Only)	
	Enterprise	Internal Service	Non-Expendable Trust	Pension and Insurance Trust	June 30, 1988	June 30, 1987
Operating Revenues:						
Licenses, Fees and Permits	$ 13,317	$ 1	$ ---	$ ---	$ 13,318	$ 7,883
Sales	148,961	12,079	---	---	161,040	186,594
Leases and Rentals	36,984	122	---	---	37,106	29,594
Services	9,359	19,888	---	---	29,247	31,082
Contributions and Intergovernmental	---	---	---	278,655	278,655	192,673
Interest, Penalties and Unclaimed Properties	115,315	---	56	---	115,371	110,647
Investment Income	---	---	---	95,089	95,089	208,009
Miscellaneous Revenues	122	1,239	---	1,761	3,122	9,735
Total Operating Revenues	324,058	33,329	56	375,505	732,948	776,217
Operating Expenses:						
Personal Services	25,906	7,269	---	1,208	34,383	30,761
Operations	105,490	24,596	93	9,406	139,585	157,884
Inventories	4,692	626	---	---	5,318	5,331
Specific Programs	4,386	3,572	---	150,996	158,954	124,303
Interest	100,602	---	---	---	100,602	98,531
Depreciation	8,510	855	---	111	9,476	5,515
Miscellaneous Expenses	3,783	107	---	---	3,890	2,281
Total Operating Expenses	253,369	37,025	93	161,721	452,208	424,606
Operating Income (Loss)	70,689	(3,696)	(37)	213,784	280,740	351,611
Non-Operating Revenues (Expenses):						
Contributions and Intergovernmental	12,857	1,123	---	---	13,980	12,991
Interest	8,089	212	---	---	8,301	8,764
Interest on Debt	(12,295)	---	---	---	(12,295)	(12,406)
Increase (Decrease) in Reserve Accounts	(15,889)	---	---	---	(15,889)	(148,232)
Loss on Disposal of Fixed Assets	(21)	(13)	---	(24)	(58)	(7)
Miscellaneous Revenues (Expenses)	483	---	---	---	483	308
Total Non-Operating Revenues (Expenses)	(6,776)	1,322	---	(24)	(5,478)	(138,582)
Income (Loss) Before Operating Transfers	63,913	(2,374)	(37)	213,760	275,262	213,029
Operating Transfers:						
Operating Transfers In	61	4,704	2	---	4,767	4,223
Operating Transfers Out	(68,257)	(172)	---	---	(68,429)	(96,228)
Net Operating Transfers	(68,196)	4,532	2	---	(63,662)	(92,005)
Net Income (Loss) Before Extraordinary Item	(4,283)	2,158	(35)	213,760	211,600	121,024
Loss on Extinguishment of Debt (Note 9)	(64,687)	---	---	---	(64,687)	(6,424)
Net Income (Loss)	(68,970)	2,158	(35)	213,760	146,913	114,600
Retained Earnings/Fund Balances - Beginning (Note 12)	450,647	13,504	10,211	1,359,285	1,833,647	1,715,087
Prior Period Adjustments	---	---	---	---	---	3,960
Retained Earnings/Fund Balances - Ending	$ 381,677	$ 15,662	$ 10,176	$ 1,573,045	$1,980,560	$1,833,647

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
COMBINED STATEMENT OF CHANGES IN FINANCIAL POSITION
ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS
For the Fiscal Year Ended June 30, 1988
(In Thousands of Dollars)

	Proprietary Fund Types		Fiduciary Fund Types		Totals (Memorandum Only)	
	Enterprise	Internal Service	Non-Expendable Trust	Pension and Insurance Trust	June 30, 1988	June 30, 1987
Sources of Working Capital						
Operations:						
Net Income (Loss) Before Extraordinary Item	$ (4,283)	$ 2,158	$ (35)	$ 213,760	$ 211,600	$ 121,024
Items not Requiring Working Capital - Depreciation	8,510	855	---	111	9,476	5,515
Loss on Disposal of Fixed Assets	21	13	---	24	58	7
Working Capital Provided by Operations Before Extraordinary Item	4,248	3,026	(35)	213,895	221,134	126,546
Extraordinary Item - Loss on Extinguishment of Debt	(64,687)	---	---	---	(64,687)	(6,424)
Working Capital Provided by Operations	(60,439)	3,026	(35)	213,895	156,447	120,122
Decrease in Long-Term Assets	14	---	---	8,362	8,376	55,703
Decrease in Restricted Assets	138,696	---	---	---	138,696	285,983
Increase in Payables From Restricted Assets	5,782	---	---	---	5,782	104,444
Increase in Long-Term Liabilities	365,149	386	---	---	365,535	88,230
Increase in Contributed Capital	---	16	---	---	16	974
Proceeds from Sale of Fixed Assets	10	---	---	---	10	---
Total Sources of Working Capital	449,212	3,428	(35)	222,257	674,862	655,456
Uses of Working Capital						
Acquisition of Property, Plant and Equipment	8,410	1,997	---	74	10,481	38,120
Increase in Long-Term Assets	237,480	---	343	251,816	489,639	280,017
Increase in Restricted Assets	97,500	---	---	---	97,500	21,815
Decrease in Payables From Restricted Assets	134,585	---	---	---	134,585	130,071
Decrease in Long-Term Liabilities	272	---	---	31	303	188,628
Total Uses of Working Capital	478,247	1,997	343	251,921	732,508	658,651
Net Increase (Decrease) in Working Capital	$ (29,035)	$ 1,431	$ (378)	$ (29,664)	$ (57,646)	$ (3,195)
Elements of Net Increase (Decrease) in Working Capital						
Cash and Cash Equivalents	$ (23,209)	$ 3,078	$ (27)	$ 446	$ (19,712)	$ (4,605)
Receivables	(4,088)	451	1	(7,965)	(11,601)	15,535
Due from Other Funds	(2)	---	(292)	1,151	857	1,058
Inventory and Prepaid Items	250	282	---	(1)	531	(501)
Cash Overdraft	---	---	---	8,580	8,580	(3,082)
Payables	(13,842)	(2,335)	(60)	(31,954)	(48,191)	3,618
Due to Other Funds	12,795	(19)	---	---	12,776	(13,898)
Deferred Revenue	(939)	(26)	---	79	(886)	(1,320)
Net Increase (Decrease) in Working Capital	$ (29,035)	$ 1,431	$ (378)	$ (29,664)	$ (57,646)	$ (3,195)

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND EQUITY
ALL COLLEGE AND UNIVERSITY FUNDS
For the Fiscal Year Ended June 30, 1988
(In Thousands of Dollars)

	Current			
	Unrestricted	Restricted	Loan	Endowment and Similar
Revenues and Other Additions:				
Tuition and Fees	$ 184,108	$ ---	$ ---	$ ---
Federal Appropriations, Grants and Contracts	14,428	62,937	833	---
State Appropriations, Grants and Contracts	428,971	16,178	---	---
Private Gifts, Grants and Contracts	2,531	30,184	527	6,926
Recovery of Indirect Costs	7,156	---	---	---
Sales and Services:				
Educational Activities	51,075	36	---	---
Auxiliary Enterprises	111,957	---	---	---
Hospital and Clinics	97,666	---	---	---
Investment Income	7,370	44	668	292
Endowment Income	1,908	4,836	128	2,133
Other Sources and Additions	15,158	222	2,305	2,057
Total Revenues	922,328	114,437	4,461	11,408
Expenditures and Other Deductions:				
Instruction	315,757	12,792	---	---
Research	43,857	39,075	---	---
Public Service	35,691	17,843	---	---
Academic Support	69,728	3,020	---	---
Student Services	49,366	2,608	---	---
Institutional Support	57,229	695	---	---
Operation and Maintenance of Plant	61,777	143	---	---
Scholarships and Fellowship	23,362	32,567	---	---
Auxiliary Enterprises	102,040	142	---	---
Hospital and Clinics	104,415	119	---	---
Interest Payments	---	---	---	---
Other Uses and Deductions	519	4,559	2,174	703
Total Expenditures	863,741	113,563	2,174	703
Excess Revenue (Expenditure)	58,587	874	2,287	10,705
Transfers and Other Additions (Deductions)				
Mandatory Transfers:				
Matching Grants	(150)	---	16	211
Retirement of Debt	(20,201)	(12)	---	---
Renewals and Replacements	(1,001)	---	---	---
Other	(2,380)	(56)	---	---
Non-Mandatory Transfers	(31,835)	(1,725)	38	403
Total Transfers	(55,567)	(1,793)	54	614
Excess of Restricted Receipts Over Transfers to Revenues	---	2,979	---	---
Other Additions (Deductions)	40	(29)	---	---
Total Transfers and Other Additions	(55,527)	1,157	54	614
Net Increase (Decrease) in Fund Balance	3,060	2,031	2,341	11,319
Fund Balances - Beginning (Note 12)	85,171	24,377	62,605	114,992
Prior Period Adjustments	---	---	---	---
Fund Balances - Ending	$ 88,231	$ 26,408	$64,946	$ 126,311

Plant					Totals	
Retirement and Similar	Unexpended	Renewals and Replacements	Retirement of Indebtedness	Investment in Plant	June 30, 1988	June 30, 1987
$ ---	$ ---	$ ---	$ 212	$ ---	$ 184,320	$ 170,814
---	255	---	77	---	78,530	71,185
---	16,319	8,685	---	---	470,153	444,861
---	2,577	78	9	4,783	47,615	50,997
---	---	---	---	---	7,156	7,710
---	---	---	---	---	51,111	44,809
---	---	---	---	---	111,957	99,433
---	---	---	---	---	97,666	92,005
36,295	2,539	583	1,502	---	49,293	20,905
27,172	---	---	---	---	36,177	7,829
48,479	1,935	52	627	134,383	205,218	305,356
111,946	23,625	9,398	2,427	139,166	1,339,196	1,315,904
---	---	---	---	---	328,549	303,746
---	---	---	---	---	82,932	77,349
---	---	---	---	---	53,534	51,092
---	---	---	---	---	72,748	71,778
---	---	---	---	---	51,974	46,702
---	---	---	---	---	57,924	57,410
---	---	---	---	---	61,920	61,075
---	---	---	---	---	55,929	49,474
---	---	---	---	---	102,182	92,533
---	---	---	---	---	104,534	97,829
---	143	---	11,058	140	11,341	8,749
72,280	88,777	24,050	13,185	6,134	212,381	210,000
72,280	88,920	24,050	24,243	6,274	1,195,948	1,127,737
39,666	(65,295)	(14,652)	(21,816)	132,892	143,248	188,167
---	---	---	---	---	77	420
---	1,559	(1,251)	21,826	(850)	1,071	(678)
---	12,344	685	---	---	12,028	50
---	102	437	776	---	(1,121)	(820)
(364)	13,410	11,686	283	(4,088)	(12,192)	955
(364)	27,415	11,557	22,885	(4,938)	(137)	(73)
---	---	---	---	---	2,979	3,940
---	---	---	---	---	11	160
(364)	27,415	11,557	22,885	(4,938)	2,853	4,027
39,302	(37,880)	(3,095)	1,069	127,954	146,101	192,194
503,637	110,642	35,296	25,703	1,184,589	2,147,012	1,958,159
---	---	---	---	---	---	(3,341)
$ 542,939	$ 72,762	$ 32,201	$ 26,772	$1,312,543	$2,293,113	$2,147,012

The notes to the financial statements are an integral part of this statement.

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The Notes to the Financial Statements provide a summary of significant accounting policies and other disclosures required for a fair presentation of the basic financial statements.

Note 1 - Significant Accounting Policies

A. Financial Statements and Reporting Entity

The accompanying financial statements of the State of Missouri have been prepared in conformity with generally accepted accounting principles as prescribed by the National Council on Governmental Accounting and accepted by the Governmental Accounting Standards Board. The financial statements of the College and University Funds have been prepared in conformity with generally accepted accounting principles as prescribed by the National Association of College and University Business Officers.

The financial statements include the departments, agencies, authorities, commissions and other organizational units over which the State exercises significant oversight responsibility. Financial interdependency is the most important element of oversight responsibility. However, the following criteria were also considered in determining the scope of the reporting entity: selection of governing authority, ability to significantly influence operations, accountability for fiscal matters and scope of public service.

Based on the above criteria, in addition to the Legislative, Executive and Judicial agencies, the following organizations are included in these financial statements:

Board of Public Buildings - This board was created by State law and its governing body is made up of the Governor, the Attorney General and the Lieutenant Governor. Its purpose is to provide State buildings by issuing revenue bonds and to supervise the operations of these facilities. All construction contracts must be approved by the State's Division of Design and Construction and its projects must be approved by the General Assembly. The board can require State agencies to occupy its projects and to pay their share of costs from State appropriations for the operation and maintenance of these buildings and for the retirement of these bonds. Copies of the Board of Public Buildings' financial statements can be requested from:

Office of Administration
Division of Accounting
P.O. Box 809
Jefferson City, Missouri 65102

Housing Development Commission - This commission was created by State law and for administrative purposes is assigned to the Department of Economic Development. The commission is authorized to make or purchase mortgage loans and to insure mortgage loans, the funds of which are used to develop

Note 1 - Significant Accounting Policies (cont.)

new or rehabilitate low and moderate income housing. The commission is also authorized to issue bonds and notes for making or purchasing such loans. Its employees are covered by the State merit system and the State retirement plan. Its governing body is made up of the Governor, the State Treasurer, the Attorney General and six members appointed by the Governor with the advice and consent of the Senate. If for any reason the commission ceases to exist, its rights and properties shall pass to and be vested in the State, subject to the rights of lienholders and other creditors. Copies of the commission's financial statements can be requested from:

Missouri Housing Development
Commission
3770 Broadway
Kansas City, Missouri 64111

Higher Education Loan Authority - This authority was created by State law and is assigned to the Department of Higher Education. It is authorized to issue debt to carry out its purpose, which is to provide a secondary market for loans made under the insured student loan program provided by the Higher Education Act. Its governing body consists of five members appointed by the Governor with the advice and consent of the Senate, one member of the Coordinating Board of Higher Education and the Commissioner of Higher Education. Copies of the authority's financial statements can be requested from:

Missouri Higher Education
Loan Authority
1215 Fern Ridge Parkway
Suite 208
St. Louis, Missouri 63141

State Environmental Improvement and Energy Resources Authority - This authority was created by State law and is assigned to the Department of Natural Resources. Its governing body consists of five members appointed by the Governor with the advice and consent of the Senate. It is authorized to finance, acquire, construct and equip projects for the purpose of reducing, preventing or controlling pollution and to provide for the development of energy resources of the State. Its employees are covered under the State retirement plan. Upon termination or dissolution of the authority, all rights and properties shall pass to and be vested in the State subject to the rights of noteholders, bondholders and other creditors. Copies of the authority's financial statements can be requested from:

Note 1 - Significant Accounting Policies (cont.)

State Environmental Improvement
and Energy Resources Authority
Jefferson Building, 12th Floor
P.O. Box 744
Jefferson City, Missouri 65102

Industrial Development Board - This board was created by State law to promote economic development of this State. The Governor, with the approval of the Senate, appoints nine board members. The Department of Economic Development or the Department of Highways and Transportation must approve all development plans prior to submission to the board members. In addition, these same departments administer any debt or loan security agreement between the board and other parties. Copies of the board's financial information can be requested from:

Department of Economic Development
Finance Program
Harry S Truman State Office Building,
Room 720
Jefferson City, Missouri 65101

Health and Educational Facilities Authority - This authority was created by State law and is assigned to the Department of Economic Development. It is authorized to issue revenue bonds to finance health and educational facilities for not-for-profit institutions within the State. Also, the authority assists not-for-profit institutions in borrowing funds at the lowest possible cost in order to provide quality medical and educational services to State residents. Its governing body consists of seven members appointed by the Governor with the advice and consent of the Senate. The authority's fiscal year ends December 31, therefore, financial statements for its reporting period ending December 31, 1987 have been included in this report. Copies of the authority's financial statements can be requested from:

Missouri Health and Educational
Facilities Authority
#1 City Centre, Suite 1310
St. Louis, Missouri 63101

Agriculture and Small Business Development Authority - This authority was created by State law. Its governing body consists of seven members appointed by the Governor with the advice and consent of the Senate. It is authorized to issue bonds to finance agricultural and small business development

Note 1 - Significant Accounting Policies (cont.)

loans for property acquisitions/renovations and pollution control facilities throughout the State. If for any reason, the authority ceases to exist, all rights and properties of the authority will pass to the State. Copies of the authority's financial statements can be requested from:

Missouri Agricultural and Small
Business Development Authority
P.O. Box 630
Jefferson City, Missouri 65102

Deferred Compensation Commission - The State offers all employees a deferred compensation plan. This plan was established by the Missouri State Public Employees Deferred Compensation Commission which consists of one member of the House of Representatives, one member of the Senate and three other commissioners appointed by the Governor with the advice and consent of the Senate. It is administered by the Public Employees Benefit Services Corporation of Missouri (PEBSCO). Under this plan, employees are permitted to defer a portion of their current salary until future years. The plan's fiscal year ends December 31, therefore, financial statements for its reporting period ending December 31, 1987 have been included in this report. Copies of the plan's financial statements can be requested from:

PEBSCO
One Nationwide Plaza
Annuity and Pension Operations
Accounting - GT
Columbus, Ohio 43216

Colleges and Universities - The Coordinating Board for Higher Education has certain responsibilities for these institutions and they receive State support. Following are the public four-year colleges and universities included in the financial statements:

Central Missouri State University
Harris-Stowe College
Lincoln University
Missouri Southern State College
Missouri Western State College
Northeast Missouri State University
Northwest Missouri State University
Southeast Missouri State University
Southwest Missouri State University
University of Missouri

Note 1 - Significant Accounting Policies (cont.)

The State participates in the Public School Retirement System as an employer of certified teachers who are members. However, the major financial support is from the Public School Districts. The system is financed by employee and employer contributions. A Board of Trustees is responsible for the general administration and oversight functions. The State has no fiscal control or authority over the system. Therefore, financial information for the Public School Retirement System is not included within the scope of the accompanying financial statements.

B. Basis of Presentation

The State's financial practices are based upon fund accounting concepts. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and fund balances, and changes therein.

The accompanying financial statements are structured into four categories of funds and two account groups:

Governmental Funds include the General Fund, Special Revenue Funds, Debt Service Funds and Capital Projects Funds. These funds account for the revenue sources and expenditures, capital outlay and certain debt service of the State.

Proprietary Funds include Enterprise Funds and Internal Service Funds. These funds account for the cost of services provided by the State, presenting the assets and liabilities associated with the service on the balance sheet and presenting the revenues, expenses and net income on the operating statement.

Fiduciary Funds include Non-Expendable Trust Funds, Expendable Trust Funds, Agency Funds, and Pension and Insurance Trust Funds. These funds account for assets held by the State in a trustee capacity or as an agent for individuals, other governments and other funds.

College and University Funds include Current, Loan, Endowment and Similar, Retirement and Similar, Agency and Plant Funds. The Current Funds account for resources currently expendable for the institutions' purposes and resources restricted for specific programs. The Loan, Endowment and Similar, Retirement and Similar, and Agency Funds account for assets held by the institutions as a trustee or agent. The Plant Funds account for institutional property acquisition, renewal and replacement, debt retirement and investment.

Note 1 - Significant Accounting Policies (cont.)

Account Groups include the General Fixed Asset Account Group and the General Long-Term Debt Account Group. These account groups are used to record the fixed assets and long-term liabilities of the Governmental Funds and the Expendable Trust Funds.

C. Basis of Accounting

Governmental, Expendable Trust and Agency Funds are presented on a modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues and other financial resources are recognized in the accounting period in which they become both measurable and available to pay current period liabilities. Material revenues susceptible to accrual include federal grants and income and sales tax. Expenditures and other uses of financial resources are recognized when the related fund liability is incurred except for the following:

- Principal and interest on general long-term debt is recorded as an expenditure of the Debt Service Fund when due.
- Compensated absences (accumulated vacation and compensatory time) and sick pay are recorded as expenditures when paid.
- Inventories are reported as expenditures when purchased.

Encumbrance accounting is used for purposes of budgetary control. Encumbrances outstanding at year end are reported as reservations of fund balances since they do not constitute expenditures or liabilities.

Proprietary, Non-Expendable Trust, Pension and Insurance Trust, and College and University Funds are presented on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized in the period earned and expenses are recognized in the period incurred.

D. Budgetary Accounting

The State's annual budget is prepared principally on the cash basis and represents departmental appropriations recommended by the Governor and passed by the State legislature prior to the beginning of the fiscal year. Certain estimated original appropriation amounts may be increased as necessary. If supplemental appropriations are required for an appropriation year, they are enacted during the next legislative session by the same process used for original appropriations. During the year supplemental appropriations of $44,906,931 were required, 88% for Human Services and the remainder for capital outlay and other functions. Estimated appropriations were increased by $259,827,834.

Note 1 - Significant Accounting Policies (cont.)

Budgetary control is maintained at the departmental level. Expenditures cannot exceed the appropriation amounts at the individual appropriation level. Also, the Governor has the authority to reduce the allotments of appropriations in any fund if it appears that revenues for the fiscal year will fall below estimated revenues. Unexpended appropriations lapse at the end of each appropriation year.

Since the budget is prepared principally on a cash basis, data presented for both budget and actual in the accompanying Combined Statement of Revenues, Expenditures and Changes in Fund Balances Budget (Non-GAAP Budgetary Basis) and Actual are presented on the cash basis for the eighteen month appropriation year which includes the fiscal year, July 1 through June 30, plus the six month appropriation lapse period, July 1 through December 31. Due to the timing of this report's preparation the lapse period expenditures made during September through December cannot be included; however, they are not a material amount. A restatement of fund balance is made each year since expenditures from the prior year were understated by this amount.

This report presents the budget/actual information for General, Special Revenue, Debt Service and Capital Projects funds that have budgetary data. The General Fund is composed of three accounts, General Revenue, Federal and Revenue Sharing. The Special Revenue Funds of the State have been separated by functional areas to provide more meaningful data for the many funds. However, certain Special Revenue Funds are funded by receipts from specific sources which do not lend themselves to budget preparation. Therefore, only the following are included in the budget/actual statement:

Professional Registration - Board of Accountancy, Board of Barber Examiners, Board of Podiatry, Board of Chiropractic Examiners, Board of Cosmetology, Board of Embalmers and Funeral Directors, Board of Registration for Healing Arts, Board of Nursing, Board of Optometry, Board of Pharmacy, Missouri Real Estate Commission, Veterinary Board, Committee of Professional Counselors, Dental Board, State Board of Architects, Engineers and Land Surveyors, Professional Registration Fees and Athletic.

Public Education - State School Money, State Seminary Money, State Guaranty Student Loan, Excellence in Education, Missouri Prospective Teachers Loan, Fair Share and School District Trust.

Conservation and Environmental Protection - Conservation Commission, Parks Sales Tax, Soil and Water Sales Tax, Clean Water Commission, Water Well Drillers, Energy Set-Aside Program,

Note 1 - Significant Accounting Policies (cont.)

State Land Survey Program, Petroleum Violation Escrow, Hazardous Waste, Safe Drinking Water, Coal Mine Land Reclamation, Hazardous Waste Remedial, Missouri Air Pollution Control, Meramec-Onondaga State Parks, Oil and Gas Remedial, and Land Reclamation.

Judicial Protection and Assistance - Attorney General's Court Costs, Merchandising Practices Revolving, Attorney General's Anti-Trust, Legal Defense and Defender, Missouri Office of Prosecution Services and Crime Victims' Compensation.

Agricultural and State Fair Fees - Apple Merchandising, Milk Inspection Fees, Grain Inspection Fees, State Contracted Manufacturing Dairy Plant Inspection and Grading Fee, Marketing Development and State Fair Trust.

Social Assistance - Blind Pension.

Highways and Transportation - Grade Crossing, Highway Department, Railroad Expense, Highway Patrol Academy, State Transportation, Highway Patrol Motor Vehicle Revolving and Aviation Trust.

Unemployment and Workers' Compensation - Workers' Compensation, Workers' Compensation - Second Injury and Special Employment Security.

Reimbursements and Other - Public Service Commission, Department of Revenue Information and Petition Audit Revolving Trust.

This report presents budgetary data for only one Capital Projects fund, the State Road Fund. The other Capital Projects funds are funded by bond proceeds or grants for various projects which require several years to complete. Generally the bond authorization or grant is appropriated in total the first year even though the bond sales or grant receipts are received over a period of years as required for the projects. Therefore, these funds (Natural Resources-Land and Water, Water Pollution Control, Missouri Water Projects Recreation and Third State Building) do not have annual budgets and their budget data is not comparative to the actual data for the fiscal year. The budgetary control is still maintained at the department level but on a project basis.

The following is a reconciliation of the differences between the budgetary basis and the GAAP basis.

Note 1 - Significant Accounting Policies (cont.)

BUDGETARY BASIS vs. GAAP
(In Thousands of Dollars)

	General	Special Revenue	Debt Service	Capital Projects
Fund Balance (Budgetary Basis) June 30, 1988	$ 309,390	$244,932	$81,035	$ 33,928
Add (Deduct):				
Accrued Revenues	202,052	53,277	927	40,301
Deferred Revenues	(43,223)	(42,546)	---	---
Accrued Expenditures	(106,304)	(2,303)	---	(1,675)
Inventory Balance	9,921	1,648	---	35,300
Fund Balances of Funds Not Budgeted (GAAP Basis)	---	1,251	---	201,032
Fund Balance (GAAP Basis) June 30, 1988	$ 371,836	$256,259	$81,962	$308,886

Detailed appropriation information is presented in the Appropriation Activity Report which is prepared for the appropriation year ending December 31. Copies of this report can be requested from:

Office of Administration
Division of Accounting
P.O. Box 809
Jefferson City, Missouri 65102

E. Cash and Cash Equivalents

For reporting purposes, this includes bank accounts, petty cash and all short-term investments such as certificates of deposit, repurchase agreements and U.S. Treasury bills. Cash balances of most State funds are pooled and invested by the State Treasurer.

F. Investments

These are long-term investments which are expected to be held to maturity and redeemed at face value. The majority are investments of the Pension and Insurance Trust Funds and are stated at cost. The remainder belong to various Agency, Non-Expendable Trust, Expendable Trust and Enterprise Funds and are valued at lower of cost or market. The investments of the Deferred Compensation Plan are reported in units of fixed and variable annuities at market.

Note 1 - Significant Accounting Policies (cont.)

G. Receivables

Receivables include primarily Federal revenue amounts, accrued interest on investments and taxes receivable. Receivables are reported net of allowances for uncollectibles where applicable.

H. Interfund Receivables/Payables

The State makes various transactions between funds to distribute interest earnings, finance operations, provide services, service debt and for capital outlay. These receivables and payables at June 30 are classified as "due from other funds" or "due to other funds" on the balance sheet.

I. Inventories

Inventories in the Governmental Funds and Expendable Trust Funds consist of expendable supplies held for consumption, the cost of which is recorded as an expenditure at the time of purchase. Reserves of fund balance have been established for the inventory balances. Inventories in the Proprietary Funds and Non-Expendable Trust Funds consist of both expendable supplies held for consumption and the cost of goods held for resale, the cost of which is recorded as an expense as they are used. Inventories are valued at cost using the first-in, first-out method.

J. Deferred Charges

Deferred charges represent issuance costs on bonds and are amortized over the life of the related issue.

K. Restricted Assets

These moneys are restricted by applicable bond indentures for revenue bonds of Enterprise Funds.

L. Fixed Assets and Depreciation

A fixed assets system was implemented in fiscal year 1987. The system enables the State to report fixed assets in the financial statements. All fixed assets acquired or constructed for general governmental purposes are reported as expenditures in the fund that finances the asset acquisition and capitalized in the General Fixed Assets Account Group.

General fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Historical cost has been estimated for approximately 16% of the State's

Note 1 - Significant Accounting Policies (cont.)

assets in the General Fixed Assets Account Group. The estimate of historical cost was based on current appraised value indexed to the date of acquisition. Donated general fixed assets are reported at estimated fair market value at the time received. General fixed assets acquired through lease agreements are capitalized at the inception of the agreement (see Note 4). Public domain (infrastructure) general fixed assets (including highways, bridges, highway lands and right-of-way) are not capitalized. No depreciation is provided on general fixed assets.

All fixed assets acquired by Proprietary, Non-Expendable Trust, and Pension and Insurance Trust Funds are reported in those funds at historical cost or estimated historical cost if actual historical cost is not available. Historical cost has been estimated for approximately 2% of the State's assets in the Proprietary, Non-Expendable Trust, and Pension and Insurance Trust Funds. The estimate of historical cost was based on current appraised value indexed to the date of acquisition. Donated assets are reported at estimated fair market value at the time received. Fixed assets are depreciated for the full year using the straight-line method of depreciation over the following useful lives: buildings - 40 years, land improvements and building improvements - 20 years and equipment - 5 years.

Generally, College and University Fund fixed assets are stated at cost or at estimated fair market value at time of donation and are not depreciated. Generally accepted accounting principles require these assets to be valued at cost or fair market value.

M. Deferred Revenues

Deferred revenues are those for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Therefore, such amounts are reported within the accompanying financial statements as receivables and offset by a deferred revenue account. These amounts include $71,367,000 within the General Fund, $8,664,000 within the Special Revenue Funds, $152,000 within the Debt Service Funds, $3,842,000 within the Capital Projects Funds and $35,000 within the Expendable Trust Funds. Such amounts have been deemed to be measurable but not available.

Deferred revenues also include amounts collected in advance of the year in which earned. The State has reported as such deferred revenues the amount of $8,265,000 within the General Fund for advance revenue collections of Federal grant contributions, $41,835,000 within Special Revenue Funds for unspent revenues at

Note 1 - Significant Accounting Policies (cont.)

year end, $2,264,000 within Enterprise Funds and $323,000 within Internal Service Funds for amounts collected in advance of the year in which earned, $1,542,000 within the Pension and Insurance Trust Funds for contributions received but not earned and $24,626,000 within the College and University Funds for amounts collected in advance.

N. Long-Term Debt

Long-term liabilities that will be financed from Governmental Funds and Expendable Trust Funds are accounted for in the General Long-Term Debt Account Group. These long-term liabilities include the following:

1. Outstanding principal for general obligation debt is included. The expenditure and any related liability for payment of principal and interest for general obligation debt are recorded in the Debt Service Funds when paid and the debt principal amount removed from the General Long-Term Debt Account Group.

2. The unfunded accrued liability of the Missouri State Employees' Retirement System and of the pay-as-you-go benefit groups; and the unfunded accrued benefits of the Highway Employees' and Highway Patrol Retirement System are included and will be paid from the General Revenue Fund and the Special Revenue Funds (see Note 5).

3. Compensated absences reported in the General Long-Term Debt Account Group include accumulated unpaid vacation and compensatory time accruals. These amounts are not accrued in the Governmental Funds and Expendable Trust Funds but are recorded as expenditures when paid. There are immaterial amounts of compensated absences for Proprietary Funds included in the General Long-Term Debt Account Group which are recorded as expenses when paid.

   Vacation leave is accumulated at a rate of 10 to 14 hours a month depending on the number of years of employment. Accumulated vacation leave cannot exceed the number of vacation hours earned in a two year period. Compensatory time is accumulated as earned by an individual employee.

   Sick leave is accumulated at a rate of 10 hours per month with no limit to the amount which can be accumulated. Accumulated sick leave is not paid upon employee termination and does not represent a liability of the State.

Note 1 - Significant Accounting Policies (cont.)

The expenditures for all compensated absences are made primarily from the General Fund, Special Revenue Funds and a Capital Projects Fund.

4. Due to other entities is owed to the Federal Highway Administration from the Department of Highways and Transportation to repay funding advances for the purchase of right-of-way, which will be paid from a Capital Projects Fund.

5. Obligations under lease/purchases reported in the General Long-Term Debt Account Group include the present value of net minimum future lease payments, which will be paid from the General Fund and Special Revenue Funds.

Long-term liabilities of all Proprietary, Non-Expendable Trust, and Pension and Insurance Trust Funds are accounted for in the respective funds.

O. Fund Equity

Contributed capital is recorded in Enterprise Funds which have received fixed assets from other funds.

Reserves represent those portions of fund equity (1) not appropriable for expenditure or (2) legally segregated for a specific future use. Following is a list of reserves used by the State of Missouri and a description of each:

Reserved for Revenue Bonds - An account used to segregate a portion of retained earnings to meet the requirements of revenue bond trust indentures.

Reserved for Education - An account used to segregate a portion of fund balance to support the educational programs of the State.

Reserved for Encumbrances - An account used to segregate outstanding encumbrances chargeable to the current reporting period that exist at the end of that period.

Reserved for Inventory - An account used to segregate a portion of fund balance to indicate that inventory does not represent available, spendable resources even though it is a component of assets.

Reserved for Future Distribution - An account used to segregate a portion of fund balance for the specific future use of other entities.

Note 1 - Significant Accounting Policies (cont.)

Reserved for Cash Operations - An account used to segregate a portion of fund balance to compensate for possible cash-flow imbalances.

Reserved for Taxes - An account used to segregate a portion of fund balance for taxes received for which payment was made under protest and for bonds filed by license holders for security against default of payment of tax liabilities.

Reserved for Debt Service - An account used to segregate a portion of fund balance for debt service resources legally restricted to the payment of general long-term debt principal and interest amounts maturing in future years.

Reserved for Retirement System - An account used to segregate a portion of fund balance for the specific future use of the retirement system's members.

Reserved for Insurance Benefits - An account used to segregate a portion of fund balance for the specific future use of the employees' benefit system's members.

Reserved for Loans Receivable - An account used to indicate that the long-term portion of loans receivable does not represent available, spendable resources even though it is a component of assets.

Reserved for Unclaimed Properties - An account used to segregate a portion of fund balance for the payment of unclaimed property amounts to the owners.

Reserved for Colleges and Universities - An account used to segregate a portion of fund balance for resources of specific uses and programs including debt retirement of the plant funds.

P. Revenues

The revenues of the General Fund include Federal grants and contributions of $1,145,034,000. Revenues for all funds are reported net of refunds of $302,011,000.

Q. Interfund Transactions

During the fiscal year the State incurs various transactions between funds, including expenditures and transfers of resources to distribute interest earnings, finance operations, provide services, construct assets and service debt. Interfund transactions basically consist of these two types:

Note 1 - Significant Accounting Policies (cont.)

1. Transactions that would be treated as revenues, expenditures or expenses if they involved organizations external to the State are similarly treated when involving other funds of the State. Major transactions that fall into this category include payments to Internal Service Funds from other funds for services rendered and to Agency Funds for contributions for employee benefits.

2. Transfers from funds receiving revenues to funds through which the resources are to be expended and operating subsidies are classified as operating transfers except for annual appropriations to the colleges and universities which are accounted for as revenues and expenditures in the funds involved.

The composition of interfund receivables and payables at June 30, 1988 is presented in Note 10.

R. Expenditures and Expenses

Expenditures and expenses are reported net of revenue overcollections of $230,906,000 and $2,250,000; and overpayments to vendors, individuals, school districts and for cost reimbursements of $68,234,000 and $620,000, respectively.

S. Totals - Memorandum Only

These columns represent a summation of the combined financial statement columns, are presented only for analytical purposes, do not present consolidated financial information and have not been adjusted to eliminate interfund transactions.

Note 2 - Deposits and Investments

The State Treasurer maintains a cash and short-term investment pool that is used by substantially all State funds. Certain organizational units, included herein as component entities of the State, are authorized to administer assets desginated to their organization in a manner similar to the deposit and investment activities of the State as a whole. Summarized below is the portfolio that represents the "Cash and Cash Equivalents", "Investments" and the "Restricted Assets" as reported in the combined June 30, 1988 balance sheet.

Note 2 - Deposits and Investments (cont.)

Deposits

At June 30, 1988 the carrying amount of the State's deposits was $1,288,080,000 and the bank balance was $1,262,645,000. Of the bank amount, $1,093,013,000 is insured or collateralized with securities held on behalf of the entity by an independent third party custodian. The balance was either collateralized with securities held by a trustee but not in the entity's name or uncollateralized.

Investments

Statutes authorize the State Treasurer to invest in U.S. Treasury or Agency securities maturing within three years or in repurchase agreements maturing within ninety days secured by U.S. Treasury or Agency securities of any maturity. There have been no violations of these investment restrictions during fiscal year 1988. The agency and pension funds, the component entities in the enterprise fund, and the College and Universities in accordance with statutory authority invest primarily in U.S. Government securities, preferred and common stocks, bonds, real estate and commercial paper.

The following table (in thousands of dollars) provides information about the credit risks associated with the State's investments. The investments include certain short-term cash equivalents, various long-term items and restricted assets. Category 1 includes investments that are insured or registered, or securities held by the entity or its agent in the entity's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the entity's name. Category 3 includes uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the entity's name.

	Category 1	Category 2	Category 3	Carrying Amount	Market Amount
U.S. Government Securities	$ 537,653	$ 85,603	$ 406,879	$1,030,135	$1,027,166
Repurchase Agreements	452,680	---	508	453,188	453,694
Stocks	947,356	12	103,691	1,051,058	1,131,279
Bonds	110,714	---	71,772	182,487	179,053
Fixed Income Securities	407,471	70,677	---	478,148	481,365
Real Estate	95,684	---	---	95,684	93,344
Other	230,718	36,832	250,113	517,663	518,165
	$2,782,276	$ 193,124	$ 832,963	$3,808,363	$3,884,066
Deferred Compensation				116,498	116,498
Total Investments				$3,924,861	$4,000,564

Note 3 - Fixed Assets

A statement of changes in general fixed assets for the year ended June 30, 1988 is as follows (in thousands of dollars):

	Land	Land Improvements	Buildings	Equipment	Construction In Progress	Totals
Balance July 1, 1987	$249,953	$ 18,229	$ 494,439	$ 320,121	$ 35,023	$1,117,765
Adjustments	(1,515)	---	(2,803)	12,589	---	8,271
Additions	9,529	1,412	84,915	49,032	82,353	227,541
Deletions	(103)	---	(478)	(17,887)	(81,560)	(100,028)
Balance June 30, 1988	$257,864	$ 19,641	$ 576,073	$ 363,855	$ 36,116	$1,253,549

Adjustments were made to the general fixed assets balances for changes due to physical inventories performed in fiscal year 1988.

A summary of Proprietary Funds' property, plant and equipment at June 30, 1988 is shown below (in thousands of dollars):

	Enterprise	Internal Service	Pension and Insurance Trust
Land	$ 15,855	$ 41	$ 71
Land Improvements	3,978	---	---
Accumulated Depreciation	(1,234)	---	---
Buildings	188,405	761	1,140
Accumulated Depreciation	(23,822)	(490)	(57)
Equipment	17,081	8,693	906
Accumulated Depreciation	(8,793)	(4,405)	(332)
Construction In Progress	7,809	---	---
Totals	$ 199,279	$ 4,600	$ 1,728

A summary of College and University Funds' property, plant and equipment at June 30, 1988 is shown below (in thousands of dollars):

Land and Improvements	$ 67,223
Buildings and Improvements	916,770
Equipment	338,301
Library Books	106,433
Construction In Progress	82,458
Total	$ 1,511,185

Note 4 - Capital Leases

The State has entered into various agreements to lease buildings and equipment. FASB Statement No. 13, "Accounting For Leases," requires a lease that transfers substantially all of the benefits and risks of ownership to the lessee be accounted for as the acquisition of a fixed asset and the incurrence of an obligation by the lessee (a capital lease).

Capital leases for the Proprietary Funds are reported as a long-term obligation in those funds along with the related assets. Capital leases for the Governmental Funds are reported in the General Long-Term Debt Account Group and the related assets are reported in the General Fixed Assets Account Group.

Following is a summary of the future minimum lease payments for capital leases:

Fiscal Year Ending June 30	Long-Term Debt Account Group	Enterprise	Internal Service	College and University Funds
1989	$ 7,363,583	$ 1,570	$ 96,222	$ 8,582,809
1990	6,930,080	1,570	96,222	8,613,835
1991	6,699,680	654	96,222	6,073,473
1992	5,091,053	---	96,222	5,146,704
1993	4,669,913	---	74,167	3,172,492
After 1993	107,783,887	---	50,505	33,435,000
Total minimum lease payments	138,538,196	3,794	509,560	65,024,313
Less amount representing interest	75,937,460	318	141,236	26,176,731
Present value of net minimum lease payments	$ 62,600,736	$ 3,476	$368,324	$38,847,582

Assets acquired through these capital lease agreements are recorded as fixed assets at the lower of the present value of the minimum lease payments or the fair market value. The following is an analysis of the property under capital lease by asset category as of June 30, 1988:

	General Fixed Assets Account Group	Enterprise	Internal Service	College and University Funds
Land	$ ---	$ ---	$ ---	$ 1,612,690
Buildings	56,521,145	---	---	9,119,000
Equipment	9,316,467	4,317	196,040	46,526,304
Total Fixed Assets	$ 65,837,612	$ 4,317	$196,040	$ 57,257,994

Note 5 - Retirement Systems

Missouri State Employees' Retirement System and Highway Employees' and Highway Patrol Retirement System:

Plan Descriptions

The Missouri State Employees' Retirement System (MOSERS) and the Highway Employees' and Highway Patrol Retirement System (HEHPRS) are single-employer public employees' retirement systems administered in accordance with the Revised Statutes of Missouri Sections 104.310-104.800 and 104.010-104.270, respectively.

Total payroll for fiscal year 1988 for the State of Missouri was $1,353.4 million. Covered payroll for MOSERS and HEHPRS for fiscal year 1988 was $796.5 million and $187.7 million, respectively.

Substantially all full-time State employees who are not covered under another State-sponsored retirement plan are eligible for membership in MOSERS. Retirement benefits for members of the judiciary are administered and paid by MOSERS. Amounts paid are reimbursed monthly from appropriations of State funds and are not obligations of MOSERS. HEHPRS membership is composed of full-time employees of the Missouri Highways and Transportation Commission and uniformed and non-uniformed members of the Missouri State Highway Patrol.

On June 30, 1988, membership consisted of the following:

MOSERS

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	14,750
Current employees	41,971
Judicial members	575
Total	57,296

HEHPRS

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	3,076
Current employees	7,867
Total	10,943

MOSERS and HEHPRS provide retirement, death and disability benefits to its members. Benefits for MOSERS employees are 50% vested after five years of creditable service and fully vested after ten years of creditable service. Benefits for HEHPRS employees are vested after ten years of creditable service.

The State of Missouri makes all contributions to MOSERS and HEHPRS.

Note 5 - Retirement Systems (cont.)

Basis of Accounting

The financial statements were prepared using the accrual basis of accounting. Contributions are recognized as revenues in the period in which employee services are performed and expenses are recorded when the corresponding liabilities are incurred.

MOSERS investments are carried at cost subject to adjustment for market declines judged to be other than temporary. Net realized gains and losses on investments are included in investment income. Gains and losses on exchanges of fixed-income securities are recognized on a completed transaction basis. HEHPRS investments are carried as follows: investments in U.S. government and government agency securities, corporate bonds, common and preferred stocks, and short-term investments at cost; real estate mortgages and promissory notes at amortized cost; and investments in deposit contracts with life insurance companies at contract values.

No investment in any one organization represents 5% or more of the net assets available for benefits. There are no investments, loans to or leases with the State of Missouri.

Funding Status and Progress

The amount shown as the "Pension Benefit Obligation" for MOSERS and HEHPRS is the standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases, estimated to be payable in the future as a result of employee service to date. The measure is the actuarial present value of credited projected benefits and is intended to help users assess the System's funding status on a going concern basis, assess progress being made in accumulating sufficient assets to pay benefits when due and allow for comparisons with other public employees' retirement systems. The measure is independent of the actuarial funding method used to determine contributions to the plans.

The pension benefit obligation for MOSERS and HEHPRS was determined as part of an actuarial valuation of the systems as of June 30, 1988. Significant actuarial assumptions used in the valuation for MOSERS include (a) a rate of return on the investment of present and future assets of 8.0% per year compounded annually, (b) projected salary increases of 5.0% per year compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 1.0% to 4.0% per year, depending on age, attributable to seniority and merit and (d) the assumption that benefits will increase 4.5% per year after retirement. Significant actuarial assumptions used in the valuation for HEHPRS include (a) a rate of return on investments of 8% per year,

Note 5 - Retirement Systems (cont.)

(b) projected salary increases of 4.5% - 9.5% per year, (c) pre- and post-retirement mortality based on the Unisex Pensioner - 1984 Mortality Table, with a one year age setback for male employees and the female rates are the male rates with an eight-year age setback and (d) rates of withdrawals from active service before retirement for reasons other than death, rates of disability and expected retirement ages developed based on actual plan experience.

The standardized measure of the unfunded pension benefit obligation as of June 30, 1988 is as follows:

MOSERS	(In Thousands of Dollars)
Retirees and beneficiaries currently receiving benefits	$ 371,886
Terminated employees not yet receiving benefits	31,596
Current Employees:	
Accumulated employee contributions including allocated investment income	496
Employer financed - vested	782,462
Employer financed - nonvested	85,504
Total Pension Benefit Obligation	1,271,944
Net assets available for benefits, at cost (Market Value $1,235,845)	1,216,638
Unfunded Pension Benefit Obligation	$ 55,306

During the year ended June 30, 1988 the MOSERS plan experienced a net increase of $284.9 million in the pension benefit obligation. Of the change, $86.2 million was attributable to changes in the benefit provisions and $106.4 million was attributable to the funding of an additional member group. There has also been a change from level dollar to level percent of payroll in the amortization of the unfunded pension liability.

HEHPRS	(In Thousands of Dollars)
Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	$ 194,266
Current Employees:	
Employer financed - vested	309,849
Employer financed - nonvested	161,833
Total Pension Benefit Obligation	665,948
Net assets available for benefits, at cost (Market Value $393,432)	357,869
Unfunded Pension Benefit Obligation	$ 308,079

Note 5 - Retirement Systems (cont.)

Legislative changes were made to the HEHPRS plan and became effective August 13, 1988. Legislation changed the requirement for membership of temporary wage employees to duties requiring 1,000 hours, increased benefit formula from 1 1/3% to 1 1/2%, clarified consultant fees to be paid out of the retirement fund, revised membership of the Highway Board of Trustees, required a full-time executive director to administer the system and permits a special consultant fee for cost-of-living adjustments for retirees prior to September 1, 1980 to be funded on an actuarial basis through the system rather than on a pay-as-you-go basis. The effect of this amendment was to increase the present value of accumulated plan benefits by approximately $66,200,000.

Contributions Required and Contributions Made

MOSERS covers substantially all State of Missouri employees. The State of Missouri is obligated by State law to make all required contributions to the Plan. The required contributions are expressed as a level percentage of covered payroll and are actuarially determined using the individual entry-age actuarial cost method. The prior service costs are amortized over an initial amortization period of 40 years. State contributions totaling $96.2 million were made to MOSERS in accordance with the actuarially determined contribution requirements determined through the actuarial valuation. The significant actuarial assumptions used to compute the actuarially determined employer contribution requirement are the same as those used to compute the pension benefit obligation.

For HEHPRS, the actuarial present value of credited projected benefits were determined as part of actuarial valuations that includes both regular benefits and special consultant fees. The significant actuarial assumptions used to compute the actuarially determined employer contribution requirement are the same as those used to compute the pension benefit obligation. State contributions totaling $40.9 million were made to HEHPRS in accordance with the actuarially determined contribution requirements determined through the actuarial valuation.

Trend Information

Historical trend information is presented in order for a reader to assess the progress made in accumulating sufficient assets to pay pension benefits as they become payable.

Historical trend information for MOSERS and HEHPRS is presented as follows:

Note 5 - Retirement Systems (cont.)

MOSERS	Fiscal Year 1988	1987	1986
Net assets available for benefits as a percentage of the pension benefit obligation applicable to the State's employees	95.7%	107.0%	Not Available
Unfunded pension benefit obligation as a percentage of the State's annual payroll	6.9%	(9.9%)	Not Available
State's contributions to the pension plan as a percentage of annual covered payroll	12.1%	10.4%	Not Available

HEHPRS	Fiscal Year 1988	1987	1986
Net assets available for benefits as a percentage of the pension benefit obligation applicable to the State's employees	53.7%	29.9%	26.6%
Unfunded pension benefit obligation as a percentage of the State's annual covered payroll	164.1%	165.8%	194.4%
State's contributions to the pension plan as a percentage of annual covered payroll:			
Non-Uniformed Employees	16.98%		
Uniformed Patrol	31.92%	17.7%	17.6%

(Beginning with fiscal year 1988 the contribution rate is separately calculated for non-uniformed employees and uniformed patrol.)

Ten-year historical information is disclosed in the financial reports issued by MOSERS and HEHPRS. Copies of these reports can be requested from:

Missouri State Employees'
Retirement System
P.O. Box 209
906 Leslie Boulevard
Jefferson City, Missouri 65102

Department of Highways and
Transportation
Highway Building
Jefferson City, Missouri 65101

Note 5 - Retirement Systems (cont.)

Public School Retirement System of Missouri:

Plan Description

The State of Missouri also made employer contributions to the Public School Retirement System of Missouri which is a cost-sharing multiple-employer PERS. This retirement system includes all public school districts within the State except for the two districts covering the major metropolitan areas.

It also includes certain public colleges and universities and some State employees.

The benefit provisions include retirement annuities, death benefits and disability benefits. A member is vested after acquiring ten years of membership credit for Missouri service.

The Public School Retirement System of Missouri was created and is governed by Chapter 169 of the Revised Statutes of Missouri. All full-time employees certified as teachers under State law are required by law to contribute. The State as employer is required to match those contributions.

The State's current-year covered payroll under this Plan was $44.3 million and its total current-year payroll for all employees was $1,353.4 million.

Contributions Required and Contributions Made

Employees of the State which participate solely in this Plan were required to contribute 10% of their covered payroll. Those employees contributing to this Plan and to the social security system were required to contribute 6.67% of their covered payroll. This amounted to $3.7 million for the year ended June 30, 1988. The State, as employer, was required to match those contributions.

Funding Status and Progress

The standardized measure of unfunded pension benefit obligation of the Plan as of June 30, 1987 is as follows:

	(In Thousands of Dollars)
Total pension benefit obligations	$ 4,650,403
Net assets available for pension benefits, at market	3,779,896
Unfunded pension benefit obligation	$ 870,507

Note 5 - Retirement Systems (cont.)

The measurement of the total pension benefit obligation is based on an actuarial valuation as of June 30, 1987. Net assets available to pay pension benefits were valued as of the same date.

The State's fiscal year 1988 required contribution to the Plan represents 3.55% of the total current-year actuarially determined contribution requirements for all employers covered.

Ten-year historical trend information is presented in the June 30, 1987 Annual Report. This information is useful in assessing the Plan's accumulation of sufficient assets to pay pension benefits as they become due. Copies of this report can be requested from:

Public School Retirement
System of Missouri
701 West Main
P.O. Box 268
Jefferson City, Missouri 65102

Related Party Investments

During fiscal year 1987 and as of June 30, 1987, the Plan held no securities issued by the State or other related parties.

Colleges and Universities:

University of Missouri Retirement System

The University of Missouri, included in the College and University Funds, has a noncontributory Retirement, Disability and Death Benefit Plan for all qualified employees. As of October 1, 1987 the Plan's total pension benefit obligation and net assets available for pension benefits amounted to $448,451,000 and $482,507,000, respectively. Contributions made by the Plan were equal to the actuarially determined contribution requirement for the fiscal year ended June 30, 1988.

Detailed information concerning the University of Missouri Retirement System is presented in its publicly available 1988 Comprehensive Annual Financial Report. Copies of this report can be requested from:

University of Missouri
Office of Vice-President for
Administrative Affairs
215 University Hall
Columbia, Missouri 65211

Note 5 - Retirement Systems (cont.)

Lincoln University Retirement System

Lincoln University, included in the College and University Funds, has a noncontributory Retirement, Disability and Death Benefit Plan for all qualified employees. As of July 1, 1987 the Plan's total pension benefit obligation and net assets available for pension benefits amounted to $4,873,921 and $9,692,587, respectively. The University made no contribution to the Retirement Plan for the 1987-1988 fiscal year.

Detailed information concerning this Plan is presented in Lincoln University's Financial Report for Fiscal Year 1988. Copies of this report can be requested from:

Lincoln University
Personnel Office
820 Chestnut Street
Jefferson City, Missouri 65101

On July 1, 1988 this Plan was merged with the Missouri State Employees' Retirement System (MOSERS).

Note 6 - Deferred Compensation

In accordance with Internal Revenue Code Section 457, the State offers all employees a deferred compensation plan. Under this plan, employees are permitted to defer a portion of their current salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the State (without being restricted to the provisions of benefits under the plan), subject only to the claims of the State's general creditors.

Participants' rights under the Plan are equal to those of general creditors of the State in an amount equal to the fair market value of the deferred account for each participant.

In the past, the Plan assets have been used for no purpose other than to pay benefits. In addition, the State believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

Note 7 - Changes in General Long-Term Debt

The following is a summary of changes in general long-term debt for the year ended June 30, 1988 (in thousands of dollars):

	Balance July 1, 1987	Increases	Decreases	Balance June 30, 1988
Due to Other Entities	$ 16,024	$ ---	$(6,589)	$ 9,435
General Obligation Debt Payable	686,525	329,830	(212,025)	804,330
Obligations Under Lease/Purchases	63,351	2,439	(3,189)	62,601
Compensated Absences	69,571	1,119	---	70,690
Unfunded Benefits	475,583	---	(112,198)	363,385
Total Long-Term Debt	$1,311,054	$ 333,388	$(334,001)	$1,310,441

Note 8 - Bonds Payable

General Obligation Bonds:

General obligation bonds are secured by a pledge of the full faith, credit and resources of the State. The principal and interest amounts are transferred from the General Fund to the Debt Service Funds from which principal and interest payments are made. Two types of general obligation bonds are issued by the State. The Water Pollution Control Bonds are used to provide matching funds in connection with Federal water pollution programs for constructing sewerage treatment facilities by Missouri municipalities. The total amount authorized for issue is $350,000,000. Proceeds from the Third State Building Bonds are used to provide funds for improvements of State buildings and property. Total authorization is $600,000,000.

On August 1, 1987 the Board of Fund Commissioners issued $49,715,000 principal amount of State Water Pollution Control Bonds for the purpose of refunding three of the outstanding Water Pollution Control Bond issues. The outstanding principal amount at the time of the refunding was $46,140,000. This refunding reduced total debt service payments over the next 22 years by $2,255,032 and resulted in an economic gain of $7,934,845. (See Note 9.)

Also on August 1, 1987 the Board issued $170,115,000 principal amount of Third State Building Bonds for the purpose of refunding three of the outstanding Third State Building bond issues. The outstanding principal amount at the time of the refunding was $155,180,000. This refunding reduced total debt service requirements over the next 22 years by $32,088,348 and resulted in an economic gain of $26,172,391. (See Note 9.)

Note 8 - Bonds Payable (cont.)

General obligation bonds issued and outstanding as of June 30, 1988 were as follows (in thousands of dollars):

	Interest Rates	Payment Dates	Issue Date	Final Maturity Date	Issued	Outstanding
Water Pollution Control Bonds:						
Series A 1972	0.05- 6.0%	6/1; 12/1	7/72	6/1/97	$ 20,000	$ 9,580
Series A 1974	5.0 - 5.6%	2/1; 8/1	3/74	2/1/99	8,000	4,690
Series B 1974	5.0 - 5.75%	6/1; 12/1	12/74	12/1/94	15,000	7,300
Series A 1977	3.5 - 5.5%	4/1; 10/1	6/77	4/1/97	31,494	18,320
Series A 1983	7.2 - 9.7%	2/1; 8/1	2/83	2/1/08	20,000	18,590
Series A 1986	6.75- 9.25%	2/1; 8/1	7/86	8/1/10	60,000	59,040
Series A 1987	5.75- 7.75%	2/1; 8/1	8/87	8/1/09	49,715	49,715
Series B 1987	0.05- 9.7%	6/1; 12/1	12/87	12/1/12	35,000	35,000
Third State Building Bonds:						
Series A 1983	7.2 - 9.7%	2/1; 8/1	2/83	2/1/08	40,000	37,180
Series A 1986	6.75- 9.25%	2/1; 8/1	7/86	8/1/10	325,000	319,800
Series A 1987	5.75- 7.75%	2/1; 8/1	8/87	8/1/09	170,115	170,115
Series B 1987	5.75- 7.75%	6/1; 12/1	12/87	12/1/12	75,000	75,000
Total General Obligation Bonds					$ 849,324	$ 804,330

As of June 30, 1988, general obligation debt service requirements for principal and interest in future years were as follows (in thousands of dollars):

Fiscal Year Ended June 30	Principal	Interest	Totals
1989	$ 18,235	$ 57,995	$ 76,230
1990	19,505	56,515	76,020
1991	20,920	54,924	75,844
1992	22,405	53,213	75,618
1993	23,945	51,381	75,326
1994-1998	139,555	227,077	366,632
1999-2003	168,580	173,999	342,579
2004-2008	233,795	102,562	336,357
2009-2013	157,390	19,752	177,142
Totals	$ 804,330	$ 797,418	$1,601,748

Note 8 - Bonds Payable (cont.)

Revenue Bonds:

Board of Public Buildings:

The Board of Public Buildings of the State of Missouri, upon the approval of the General Assembly, issues revenue bonds for building projects and pledges the revenues earned from leasing these buildings toward the payment of principal and interest. The Board also commits State agencies to lease space in these buildings and the agencies then pay the lease amounts from funds appropriated to them by the General Assembly.

The total amount authorized for the Board equals $229,000,000. As of November, 1985, seven bond series equaling $161,155,000 had been issued per this authorization. In December, 1985, the Board issued $150,560,000 principal amount of State Building Special Obligation Refunding Bonds, Series A 1985 for the purpose of refunding all the outstanding Board of Public Buildings bond issues. The outstanding principal amounts at the time of refunding was $150,560,000.

The Board of Public Buildings bonds issued and outstanding as of June 30, 1988 were as follows (in thousands of dollars):

	Interest Rates	Payment Dates	Issue Date	Final Maturity Date	Issued	Outstanding
Board of Public Buildings:						
Refunding	8.3 - 8.6%	2/1; 8/1	12/85	8/1/09	$ 150,560	$ 141,875
Series A 1988	6.6 - 9.0%	4/1; 10/1	4/88	4/1/13	19,500	19,500
Series B 1988	6.6 - 9.0%	4/1; 10/1	4/88	4/1/13	2,595	2,595
Series C 1988	6.6 - 9.0%	4/1; 10/1	4/88	4/1/13	2,185	2,185
Series D 1988	6.6 - 9.0%	4/1; 10/1	4/88	4/1/95	4,475	4,475
Total Board of Public Buildings					$ 179,315	$ 170,630
Plus unamortized premium						2,056
Total Board of Public Buildings, including premium						$ 172,686

As of June 30, 1988, the debt service requirements for principal and interest in future years for the Board of Public Buildings bonds were as follows (in thousands of dollars):

Note 8 - Bonds Payable (cont.)

Fiscal Year Ended June 30	Principal	Interest	Totals
1989	$ 7,650	$ 13,808	$ 21,458
1990	8,225	13,149	21,374
1991	10,020	12,442	22,462
1992	10,770	11,575	22,345
1993	11,600	10,641	22,241
1994-1998	25,280	45,418	70,698
1999-2003	30,600	34,406	65,006
2004-2008	39,825	20,219	60,044
2009-2013	26,660	3,773	30,433
Totals	$ 170,630	$ 165,431	$ 336,061

Department of Natural Resources:

The Department of Natural Resources of the State of Missouri has eight series of revenue bonds outstanding in the aggregate principal amount of $3,255,000. These bonds are payable solely from the net incomes and revenues of their respective projects and the State parks in which such projects are located and/or up to fifty percent of the preceding year's deposits to the State Park Earnings Fund, an Enterprise Fund. The Department of Natural Resources bonds authorized, issued and outstanding as of June 30, 1988 were as follows (in thousands of dollars):

	Interest Rates	Payment Dates	Issue Date	Final Maturity Date	Issued	Outstanding
Big Lake Motel - Cabins #1 Trail of Tears Marina #1	5.75-6%	4/1; 10/1	10/71	10/1/92	$ 448	$ 280
Wakonda Cabins	5.75-6%	4/1; 10/1	10/71	10/1/92	706	450
Bennett Spring Usery	4.25-6%	4/1; 10/1	10/71	10/1/92	250	155
Big Lake Motel - Cabins #2 Trail of Tears Marina #2	4.75-5.5%	6/1; 12/1	12/71	12/1/92	344	130
Bennett Spring (Series A) - Vogels Resort	8.5 -10%	4/1; 10/1	5/73	10/1/93	200	115
Bennett Spring (Series B) and Harry S Truman Park	10%	4/1; 10/1	5/73	10/1/93	273	160
Total Department of Natural Resources		1/1; 7/1	1/81	7/1/96	400	295
		1/1; 7/1	7/81	7/1/96	1,780	1,400
					$ 4,401	$ 2,985

Note 8 - Bonds Payable (cont.)

As of June 30, 1988, debt requirements for principal and interest for the Department of Natural Resources revenue bonds were as follows (in thousands of dollars):

Fiscal Year Ended June 30	Principal	Interest	Totals
1989	$ 335	$ 231	$ 566
1990	365	205	570
1991	380	178	558
1992	415	148	563
1993	455	116	571
1994-1998	1,035	200	1,235
Totals	$ 2,985	$ 1,078	$ 4,063

The bonds and notes of the Housing Development Commission, the Higher Education Loan Authority and the Health and Educational Facilities Authority are presented by fiscal year or calendar year as indicated.

Housing Development Commission:

The Housing Development Commission has issued bonds and notes to provide financing for multi-family housing projects or for single-family residential housing units. The bond and note proceeds are deposited with and invested by various bank trust departments in qualified investments until required for such financing. These bonds and notes are obligations of the commission and are not liabilities of the State. The Housing Development Commission bonds and notes outstanding as of June 30, 1988 consist of (in thousands of dollars):

Note 8 - Bonds Payable (cont.)

Bonds and Notes Payable	Interest Rates	Final Maturity Date	Original Amount Authorized	Outstanding
Multi-Family Mortgage Program:				
1971 Series	5.5 - 6.0%	2014	$ 12,875	$ 11,150
1975 Series	7.3 - 8.0%	2018	10,465	9,720
1976 Series	5.25 - 8.0%	2019	41,800	35,005
1977 Series	4.9 - 6.0%	2020	30,000	27,770
1978 Series	5.6 - 6.6%	2022	80,000	74,545
1979 Series	5.8 - 7.0%	2022	75,900	73,215
1980 Series	9.625-10.0%	2023	15,500	15,305
1982 Series	9.0 -12.7%	2024	15,450	15,110
1983 Series	7.0 -10.0%	2025	50,000	49,175
1984 Series	7.25 -11.25%	2025	30,507	20,822
1985 Series	5.5 -11.0%	2026	12,572	12,467
1986 Series	6.5 - 8.5%	2028	17,352	17,287
1988 Series	5.7 - 8.5%	2029	3,905	3,905
Total Multi-Family Mortgage Program			$ 396,326	$ 365,476
Less unamortized discount				(3,592)
Total Multi-Family Mortgage Program, net of discount				$ 361,884
Single-Family Mortgage Program:				
1976 Series	6.375%	2007	$ 28,175	$ 17,110
1978 Series	6.0 - 6.3%	2010	28,050	20,935
1979 Series	6.4 - 6.875%	2010	94,915	72,835
1980 Series	7.9 -11.0%	2012	133,180	90,320
1982 Series	9.0 -13.6%	2002	99,995	30,160
1983 Series	6.75 -10.5%	2003	143,483	88,967
1984 Series	7.2 -11.0%	2004	99,622	73,992
1985 Series	6.2 - 9.375%	2016	100,000	83,295
1986 Series	4.75 - 9.0%	2018	129,895	129,411
1987 Series	4.6 - 8.65%	2019	95,000	94,855
1988 Series	5.25 - 8.3%	2019	151,200	151,200
Total Single-Family Mortgage Program			$ 1,103,515	$ 853,080
Less unamortized discount				(8,215)
Total Single-Family Mortgage Program, net of discount				$ 844,865

Note 8 - Bonds Payable (cont.)

All bonds and notes have early redemption provisions. A summary of future annual principal maturities, which excludes unamortized deferred debt discount, follows (in thousands of dollars):

	Multi-Family Mortgage Program	Single-Family Mortgage Program
Bonds and notes maturing during year ending June 30 --		
1989	$ 3,810	$ 25,075
1990	4,113	26,765
1991	4,446	28,935
1992	4,775	30,415
1993	5,059	31,230
Thereafter	343,273	710,660
	$ 365,476	$ 853,080

Higher Education Loan Authority:

The Higher Education Loan Authority has issued student loan revenue bonds which are payable from interest and principal repayments on the financed loans as specified in the resolutions authorizing the sale of bonds. The bonds are not payable from funds received from taxation and are not a debt of the State or any of its political subdivisions. The Higher Education Loan Authority bonds outstanding as of June 30, 1988 consist of (in thousands of dollars):

	Interest Rates	Issue Date	Final Maturity Date	Outstanding
Series 1985 A & B	5.65-6.25%	2/85	2/15/00	$ 27,485
Series 1985 C	7.25-7.75%	9/85	2/15/91	11,345
Series 1985 D	5.90%	9/85	2/15/99	54,200
Series 1986 A	4.75-5.50%	12/86	12/01/91	13,075
Series 1986 B	(1)	12/86	12/01/99	32,000
Series 1988 A	(1)	5/88	6/01/17	50,000
Total Higher Education Loan Authority				$ 188,105
Less unamortized discount				(1,978)
Total Higher Education Loan Authority, net of discount				$ 186,127

(1) Adjusted Weekly.

Note 8 - Bonds Payable (cont.)

Health and Educational Facilities Authority:

The Health and Educational Facilities Authority has issued bonds and notes. The funds received are loaned to health and education institutions and they are required to make payments to the authority or trustee sufficient to meet the principal and interest requirements. A summary of the long term debt at December 31, 1987 presented by calendar year follows (in thousands of dollars):

	Interest Rates	Final Maturity Date	Issued	Outstanding
Public Revenue Bonds:				
Series 1979	7.0 - 9.0%	2009	$ 63,100	$ 58,470
Series 1980	6.8 - 9.375%	2010	50,965	42,910
Series 1981	14.0%	2011	23,265	22,935
Series 1985	5.25- 9.5%	2015	360,955	352,865
Series 1986	4.25- 7.4%	2013	32,500	32,200
Series 1987	3.75%	2015	417,324	411,834
Total Public Revenue Bonds			948,109	921,214
Private Placement Revenue Bonds:				
Series 1979	7.625%	2002	20,000	13,250
Series 1980	9.0 -11.5%	2011	5,795	5,125
Series 1981	11.25%(1)	2001	9,550	6,305
Series 1985	5.25- 8.75%(1)	2015	23,825	22,478
Series 1987	9.5%	2013	5,500	5,500
Total Private Placement Revenue Bonds			64,670	52,658
Total Revenue Bond Offerings			$ 1,012,779	$ 973,872
Hospital Equipment Revenue Bonds -				
Series 1982	10.5%	1988	29,710	9,610
Series 1985	(2)	1994	130,000	126,300
Total Hospital Equipment Revenue Bonds			159,710	135,910
Public School Revenue Bonds -				
Series 1987	(3)	1988	13,515	13,515
Demand Revenue Notes - Series 1984	(4)	2009	84,400	74,200
Series 1985	(4)	2005	28,900	22,100
Total Demand Revenue Notes			113,300	96,300
Total Bonds and Notes			$ 1,299,304	$ 1,219,597

(1) Rate fluctuates with the prime rate within established minimum and maximum ranges.

(2) Variable interest rate not to exceed 14%.

(3) Rate of 6.1% per annum on the outstanding principal balance.

(4) Rate fluctuates with the tax-exempt or variable bond market rate up to a maximum limit.

Note 8 - Bonds Payable (cont.)

State Environmental Improvement and Energy Resources Authority:

The State Environmental Improvement and Energy Resources Authority has authorized the issuance of revenue bonds, notes and commercial paper for projects since fiscal year 1974. This indebtedness is not an indebtedness of the authority or the State but is a liability of the organization to which title of the project passes.

Industrial Development Board:

The Industrial Development Board authorized the issuance of revenue bonds in fiscal year 1984. This indebtedness is not a liability of the board or the State but is a liability of the organization which has title to the project.

Agriculture and Small Business Development Authority:

The Agriculture and Small Business Development Authority has issued revenue bonds. This indebtedness is not a liability of the authority or the State.

Colleges and Universities:

The colleges and universities of the State issue revenue bonds for various projects on each respective campus. Bonds are payable, both principal and interest, only out of net income and revenues arising from operations of facilities funded by the bonds. As of June 30, 1988, debt requirements for principal and interest for the colleges and universities were as follows (in thousands of dollars):

Fiscal Year Ended June 30	Principal	Interest	Totals
1988	$ 5,628	$ 8,530	$ 14,158
1989	9,294	7,876	17,170
1990	6,482	8,142	14,624
1991	6,788	7,554	14,342
1992	7,094	7,212	14,306
1993-1997	39,820	29,848	69,668
1998-2002	35,491	18,632	54,123
2003-2007	24,432	8,048	32,480
2008-2012	9,144	1,108	10,252
Totals (1)	$ 144,173	$ 96,950	$ 241,123

(1) These totals do not include $1,634,000 in delinquent principal and interest payments of one of the universities. The bond schedule disclosed above does not include notes payable, therefore, it differs from the bonds and notes payable amount reported in the statements.

Note 8 - Bonds Payable (cont.)

BOND TRANSACTIONS OF THE STATE OF MISSOURI
For the Fiscal Year Ended June 30, 1988
(In Thousands of Dollars)

	General Obligation	Revenue	Total
Bonds Payable at July 1, 1987	$ 686,525	$2,539,362	$3,225,887
New Bonds Issued:			
Water Pollution Control			
Series A 1987	49,715	---	49,715
Series B 1987	35,000	---	35,000
Third State Building			
Series A 1987	170,115	---	170,115
Series B 1987	75,000	---	75,000
Board of Public Buildings			
Series A 1988	---	19,500	19,500
Series B 1988	---	2,595	2,595
Series C 1988	---	2,185	2,185
Series D 1988	---	4,475	4,475
Housing Development Commission:			
Multi-Family Mortgage			
Program - 1988 Series	---	3,905	3,905
Single-Family Mortgage			
Program - 1988 Series	---	151,200	151,200
Higher Education Loan Authority:			
Series 1988 A	---	50,000	50,000
Health and Educational Facilities Authority:			
Public Revenue Bonds -			
Series 1987	---	417,324	417,324
Private Placement Revenue			
Bonds - Series 1987	---	5,500	5,500
Public School Revenue			
Bonds - Series 1987	---	13,515	13,515
Bonds Retired	(212,025)	(421,417)	(633,442)
Subtotal	804,330	2,788,144	3,592,474
College and University (1)	---	144,173	144,173
Bonds Payable at June 30, 1988	$ 804,330	$2,932,317	$3,736,647

(1) Detailed information for College and University Funds not available.

Note 9 - Defeased Debt

On August 1, 1987 the State of Missouri issued $49,715,000 in Water Pollution Control General Obligation Bonds with an average interest rate of 6.97 percent to advance refund $46,140,000 of outstanding Series A 1981, Series B 1983 and Series A 1985 bonds with an average interest rate of 9.36, 9.09 and 9.14 percent, respectively. The net proceeds of $49,660,431 (after payment of $54,569 in issuance costs) plus an additional $2,849,938 of sinking fund monies were used to purchase U.S. Government securities. The securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the Series A 1981, Series B 1983 and Series A 1985 bonds. As a result the bonds are considered to be defeased and the liability for the bonds has been removed from the General Long-Term Debt Account Group.

The State advance refunded the Series A 1981, Series B 1983 and Series A 1985 bonds to reduce its total debt service payments over the next 22 years by $2,255,032 and obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of $7,934,845.

On August 1, 1987 the State of Missouri issued $170,115,000 in Third State Building General Obligation Bonds with an average interest rate of 6.97 percent to advance refund $155,180,000 of outstanding Series B 1983, Series A 1984 and Series A 1985 bonds with an average interest rate of 9.09, 9.52 and 9.14 percent, respectively. The net proceeds of $169,951,984 (after payment of $163,016 in issuance costs) plus an additional $9,773,087 of sinking fund monies were used to purchase U.S. Government securities. The securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the Series B 1983, Series A 1984 and Series A 1985 bonds. As a result the bonds are considered to be defeased and the liability for the bonds has been removed from the General Long-Term Debt Account Group.

The State advance refunded the Series B 1983, Series A 1984 and Series A 1985 bonds to reduce its total debt service payments over the next 22 years by $32,088,348 and obtain an economic gain of $26,172,391.

Note 9 - Defeased Debt (cont.)

During 1987 the Missouri Health and Educational Facilities Authority, an Enterprise Fund, issued $324,340,000 in revenue bonds with an average interest rate of 6.58 percent to advance refund $285,270,000 of outstanding bond issues with an average interest rate of 9.48 percent. The following bond issues were defeased:

Lester E. Cox Project, Series 1983 D & E
St. Louis Children's Hospital, Series 1980
Deaconess Health Services, Series 1985
Bethesda Health Group, Series 1985
St. Luke's Episcopal-Presbyterian Hospital, Series 1985
St. Louis University, Series 1983

The net proceeds of $312,874,508 (after payment of $11,465,492 in issuance costs) plus an additional $37,082,219 of sinking fund monies were used to purchase U.S. Government securities. The securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the defeased bond issues. As a result the bonds are considered to be defeased and the liability for the bonds has been removed from the balance sheet.

Although the advance refunding resulted in the recognition of an accounting loss of $64,686,727 for the year ended December 31, 1987, the Authority reduced its total debt service payments by $119,137,648 over the next 27 years and obtained an economic gain of $37,330,429.

In prior years, various bond issues were defeased by creating separate irrevocable trust funds. New debt has been issued and the proceeds have been used to purchase U.S. Government securities that were placed in the trust funds. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the following debt has been considered defeased and therefore removed as a liability from the General Long-Term Debt Account Group or Enterprise Fund balance sheet

General Long-Term Debt Account Group - As of June 30, 1988 bonds outstanding of $197,930,000 were considered defeased.

Enterprise Fund - Board of Public Buildings - As of June 30, 1988 bonds outstanding of $132,205,000 were considered defeased.

Enterprise Fund - Health and Educational Facilities Authority - As of December 31, 1987 bonds outstanding of $467,350,000 were considered defeased.

Note 10 - Interfund Receivables and Payables

A summary of interfund receivables and payables at June 30, 1988 is shown below (in thousands of dollars):

Fund	Receivables	Payables
General:		
General Revenue	$ 13,405	$ 12,487
Federal	---	2,116
Revenue Sharing	1	---
Special Revenue:		
Professional Registration	---	66
Public Education	694	43
Conservation and Environmental Protection	364	1,060
Judicial Protection and Assistance	1	177
Agricultural and State Fair Fees	1	19
Social Assistance	2	1
Highways and Transportation	1	20,699
Unemployment and Workers' Compensation	40	796
Reimbursements and Other	1	103
Debt Service:		
Water Pollution Control Bond and Interest	34	---
Third State Building Bond Interest and Sinking	82	---
Capital Projects:		
State Road	15,546	740
Water Pollution Control	19	---
Third State Building	269	2
Enterprise:		
Missouri Veterans Homes	---	101
Missouri Rehabilitation Center	---	163
State Cancer Center	7	19
Board of Public Buildings	---	548
State Environmental Improvement and Energy Resources Authority	5	---
State Lottery	27	7,500
Commodity Council Merchandising	---	1
State Fair Fees	---	8
Internal Service:		
Office of Administration Revolving	---	43
Working Capital Revolving	---	54
Microfilming Service Revolving	---	1
General Government Revolving	---	11
Agency:		
State Retirement Contributions	11,803	11,803
Social Security Contributions	5,659	---
Program	4,362	5,569
Non-Expendable Trust:		
Smith Memorial Endowment Trust	1	---
Expendable Trust:		
Agricultural Emergency	---	3
Babler State Park	---	3
Institution Gift Trust	2	1
Unclaimed Property	8	---
Pension and Insurance Trust:		
Missouri State Employees' Retirement System	7,978	---
Missouri State Employees' Medical Care and Life Insurance Program	3,825	---
College and University:		
Current - Unrestricted	4,590	2,600
Current - Restricted	224	876
Loan	141	73
Endowment and Similar	---	369
Agency	158	84
Plant	43	1,154
	$ 69,293	$ 69,293

Note 11 - Segment Information for Enterprise Funds (In Thousands of Dollars)

The State has eighteen Enterprise Funds which provide various goods and services including: constructing and operating State park facilities, fairgrounds, historical properties and office buildings, providing financial assistance from the sale of revenue bonds for environmental needs, economic development, educational assistance and construction or renovation of health and educational facilities, hospital services, warehousing, merchandising, publishing maps and documents, and the operation of the State Lottery. It is intended that the costs of providing goods or services be financed through user charges and fees. Other Enterprise Funds include the Commodity Council Merchandising, State Fair Fees, Natural Resources Document Services, Historic Preservation Revolving, Industrial Development Board, and Agriculture and Small Business Development Authority.

	State Parks	Missouri Veterans' Homes	Missouri Rehabilitation Center	Industrial Development Reserve	State Cancer Center	State Agency for Surplus Property
Operating Revenues	$ 2,831	$ 4	$ 5,026	$ ---	$ 5,540	$ 978
Depreciation	441	26	73	---	402	33
Operating Income (Loss)	916	(7,027)	(3,129)	(178)	(754)	(223)
Operating Transfers In (Out)	---	---	---	---	61	---
Net Income (Loss)	542	(319)	(1,501)	(178)	(693)	(22)
Property, Plant and Equipment Additions	---	28	170	---	1,885	56
Property, Plant and Equipment Deletions	---	---	---	---	---	---
Net Working Capital	3,199	1,063	2,395	622	5,528	746
Total Assets	18,649	1,416	3,187	622	7,766	952
Bonds and Other Long-Term Liabilities Payable from Operating Revenues	2,985	348	506	---	255	26
Total Equity	14,963	771	2,142	622	6,970	870

Board of Public Buildings	Housing Development Commission	Higher Education Loan Authority	State Environmental Improvement and Energy Resources Authority	Health and Educational Facilities Authority	State Lottery	Other Enterprise Funds	Total Enterprise Funds
$ 35,762	$ 108,909	$ 8,399	$ 70	$ 471	$ 147,928	$ 8,140	$ 324,058
6,495	---	---	5	5	1,030	---	8,510
17,913	11,698	(3,099)	(713)	34	53,537	1,714	70,689
(1,671)	---	---	(3)	---	(66,583)	---	(68,196)
7,457	11,698	1,401	(126)	(80,453)	(8,505)	1,729	(68,970)
5,495	62	---	---	46	483	185	8,410
26	---	---	---	54	---	---	80
108	73,447	3,591	2,787	(13,423)	33,232	2,882	116,177
235,330	1,403,523	193,296	2,954	1,391,444	51,997	3,382	3,314,518
172,979	1,206,749	186,127	---	---	220	---	1,570,195
54,442	132,890	4,375	2,837	157,438	38,463	3,067	419,850

Note 12 - Restatements

During fiscal year 1988, additional information became available which required the restatement of fund equity amounts (in thousands of dollars).

	General	Special Revenue	Capital Projects	Enterprise	Internal Service	Agency and Trust	College and University
Fund Balances/ Retained Earnings as Previously Reported, June 30, 1987	$287,108	$221,721	$307,035	$ 451,396	$ 13,380	$1,875,546	$ 2,239,329
A.	14,076	2,223	---	---	---	---	---
B.	57,707	---	---	---	---	---	---
C.	---	---	---	(24)	(6)	---	---
D.	---	---	---	(350)	---	---	---
E.	---	---	---	(10)	(149)	---	---
F.	---	---	---	(365)	---	---	(138,895)
G.	---	---	---	---	279	---	---
H.	---	---	(4,977)	---	---	---	---
I.	---	---	---	---	---	(141,062)	---
J.	---	---	---	---	---	7,877	---
K.	---	---	---	---	---	---	46,578
Fund Balances/ Retained Earnings as Restated, June 30, 1987	$358,891	$223,944	$302,058	$ 450,647	$ 13,504	$1,742,361	$ 2,147,012

A. Restatement to record additional receivables.

B. Restatement to reclassify receivables as a current revenue instead of deferred revenues.

C. Restatement to delete fixed assets which were retired in prior years.

D. Restatement to reconcile bonds payable balance.

E. Restatement to include operating revenues and expenses which were excluded in the prior year.

F. Restatement to record adjustments per audited statement.

G. Restatement to include funds which were excluded in prior years.

H. Restatement to record refunds as deferred revenues instead of current revenues.

I. Restatement to record investments at cost instead of market value.

J. Restatement to include interest received in prior year.

K. Restatement to include Lincoln University.

Note 13 - Fund Deficits

The following funds had deficit balances at June 30, 1988:

Enterprise Fund - Agriculture and Small Business Development Authority - At June 30, 1988 a retained earnings deficit of $237,000 existed due to initial legal expenses. Net income is expected to increase over the future years gradually eliminating the deficit.

Pension and Insurance Trust Fund - Missouri State Employees' Medical Care and Life Insurance Program - At June 30, 1988 a fund balance deficit of $3,891,000 existed due to contributions (revenues) to the fund not keeping pace with benefits (expenses) of the fund. Changes have been made to the program to increase contributions and decrease benefits.

Note 14 - Commitments

A. Contracts

At June 30, 1988 the Department of Conservation had contracts outstanding of approximately $507,000 for land acquisition and $3,757,000 for construction contracts. These are funded through the Special Revenue Funds from specific sales tax, fees and permits.

The Department of Highways and Transportation had long-term contracts of $152,397,000 outstanding at June 30, 1988 with some performance expected during fiscal year 1988. These contracts are paid from Capital Projects Funds with approximately 70% Federal reimbursement expected.

The Division of Design and Construction, Office of Administration, has construction contracts outstanding at June 30, 1988 of $65,677,000. Approximately 43% of these contracts will be paid from Capital Projects Funds, 34% will be paid from the General Fund and 22% will be paid from Special Revenue Funds.

On March 10, 1988 the State of Missouri entered into a contract with the United States Army Corps of Engineers confirming an assurance agreement of April 8, 1965. The State obtained rights to a portion of the water supply storage from the Clarence Cannon Dam and Mark Twain Lake Project. The State agreed to pay up to $11.5 million plus interest for the investment costs allocated to the water supply storage, the amount of such payments to be determined by the portion of the water storage space put in use by the State for that purpose. The contract provides a ten year interest free period running from 1984 to 1994. Payment of principal and interest must be completed by

Note 14 - Commitments (cont.)

the end of a 50 year period beginning from the date of the contract (March 1988). The State has to begin paying principal at the time the State uses any portion of the water supply. The State does not have any intention of using its rights to the water supply storage at this time.

B. Leases

The State has entered into various operating leases for buildings and equipment. The operating leases are for 12 months or less with a renewal clause unless notice is given within 30 to 90 days to the lessor. Each lease contains a clause stating that renewal is dependent on appropriation funding by the State legislature. It is expected that in the normal course of operations most of these leases will be replaced by similar leases.

Note 15 - Contingent Liabilities

The State is involved in various claims and legal proceedings. In the opinion of the Office of Administration, based on the advice of the Attorney General and the Highway and Transportation Commission, the resolution of these proceedings will not have a material effect on the financial status of the State.

The State receives Federal grants which are subject to review and audit by Federal grantor agencies. This could result in requests for reimbursements to the grantor agency for any expenditures which are disallowed under grant terms. The State believes that such disallowances, if any, would be immaterial.

The State assumes its own liability for risks except for the purchase of surety bond, aircraft and boiler coverage.

On March 10, 1988 the State of Missouri, the United States Corps of Engineers and the Clarence Cannon Wholesale Water Commission entered into a contract regarding the water supply storage assigned to the Commission. The State of Missouri assumed responsibility for the water supply storage assigned to the Commission if the Commission should fail to meet its obligation to the Corps. The Commission agreed to pay $6.0 million plus interest for the investment costs allocated to the water supply storage. The Commission's contract provides a ten year interest free period running from 1984 to 1994. Payment of principal and interest by the Commission must be completed by the end of a 50 year period beginning from the date of the contract (March 1988). The Commission has to begin paying principal at the time it uses any portion of the water supply. At this time the State does not believe the Commission will fail in its obligations to the Corps, therefore this agreement has no effect on the financial status of the State.

Note 16 - Subsequent Events

State Lottery:

On August 2, 1988 the Constitution of the State of Missouri was amended by the voters of the State changing the manner in which revenues from the State Lottery are allocated. Under the original amendment passed in November, 1984, 45% of lottery sales was to be awarded as prizes, 45% was to be transferred to General Revenue, and 10% was to be used for commissions, promotional costs and all other administration costs. Under the amendment passed in August, 45% of sales will be used as prizes and the General Assembly of the State of Missouri will appropriate money for commissions, promotional costs and administrative costs, with the balance of revenues being transferred to General Revenue on a monthly basis.

Health and Educational Facilities Authority:

On March 7, 1988, subsequent to the December 31, 1987 balance sheet date of the Health and Educational Facilities Authority; the Central Medical Center, Inc. filed a voluntary petition for a Chapter II bankruptcy in the United Stated Bankruptcy Court for the Eastern District of Missouri. The Authority had issued its $23,265,000 Revenue Bonds (Central Medical Center, Inc. Project) pursuant to a Trust Indenture, dated as of June 1, 1981, with the Boatmen's National Bank of St. Louis, as Trustee for the bondholders. The Bonds expressly provide that they are only to be paid out of the loan repayments made by the Hospital and the collateral provided by it and referred to in the Loan Agreement and the Indenture and are not to be otherwise paid by the Authority. The amount outstanding at December 31, 1987 for this bond issue was $22,935,000.

The Health and Educational Facilities Authority has issued bonds for health care and for school districts since their December 31, 1987 balance sheet date in the amount of 160.99 million and 26.05 million, respectively.

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The General Fund accounts for all financial resources except those to be accounted for in another fund.

STATE OF MISSOURI
BALANCE SHEET
GENERAL FUND
June 30, 1988
(In Thousands of Dollars)

	General Fund			Totals	
	General Revenue	Federal	Revenue Sharing	June 30, 1988	June 30, 1987
ASSETS					
Cash and Cash Equivalents	$397,154	$ 73,234	$ 339	$470,727	$442,349
Accounts Receivable	82,572	112,816	---	195,388	156,184
Interest Receivable	6,114	---	5	6,119	5,732
Due from Other Funds	13,405	---	1	13,406	22,382
Inventory	9,347	574	---	9,921	10,423
Total Assets	$508,592	$186,624	$ 345	$695,561	$637,070
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	$ 89,588	$111,662	$ 65	$201,315	$204,883
Accrued Payroll	27,841	334	---	28,175	24,647
Due to Other Funds	12,487	2,116	---	14,603	13,713
Deferred Revenue	68,285	11,346	1	79,632	34,936
Total Liabilities	198,201	125,458	66	323,725	278,179
Fund Balances:					
Reserved for Encumbrances	12,899	720	74	13,693	23,450
Reserved for Inventory	9,347	574	---	9,921	10,423
Reserved for Future Distribution	64,254	---	---	64,254	52,821
Reserved for Cash Operations	154,214	---	---	154,214	148,516
Reserved for Taxes	20,321	---	---	20,321	27,982
Unreserved	49,356	59,872	205	109,433	95,699
Total Fund Balances	310,391	61,166	279	371,836	358,891
Total Liabilities and Fund Balances	$508,592	$186,624	$ 345	$695,561	$637,070

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GENERAL FUND
For the Fiscal Year Ended June 30, 1988
(In Thousands of Dollars)

	General Fund				Totals	
	General Revenue	Federal	Revenue Sharing	Eliminations	June 30, 1988	June 30, 1987
Revenues:						
Taxes	$3,044,611	$ ---	$ ---	$ ---	$3,044,611	$2,723,750
Licenses, Fees and Permits	45,453	---	---	---	45,453	44,232
Sales	2,057	1,602	---	---	3,659	3,532
Leases and Rentals	111	324	---	---	435	470
Services	64,939	---	---	---	64,939	56,169
Contributions and Intergovernmental	1,849	1,143,599	---	---	1,145,448	1,135,029
Interest, Penalties and Unclaimed Properties	30,606	25	29	---	30,660	29,986
Miscellaneous Revenues	5,296	740	---	---	6,036	9,091
Total Revenues	3,194,922	1,146,290	29	---	4,341,241	4,002,259
Expenditures:						
Current:						
General Government	238,478	2,364	38	---	240,880	235,887
Education	772,614	228,079	---	---	1,000,693	888,949
Natural and Economic Resources	65,592	93,368	---	---	158,960	165,379
Transportation and Law Enforcement	22,928	18,648	---	---	41,576	37,746
Human Services	1,048,198	768,267	---	---	1,816,465	1,697,992
Capital Outlay:						
Current Expenditures	72,464	7,052	282	---	79,798	71,382
Capital Lease Purchases	177	264	---	---	441	54,241
Total Expenditures	2,220,451	1,118,042	320	---	3,338,813	3,151,576
Excess Revenues (Expenditures)	974,471	28,248	(291)	---	1,002,428	850,683
Other Financing Sources (Uses):						
Proceeds from Capital Leases	177	264	---	---	441	54,241
Operating Transfers In	81,347	258	3	(1,907)	79,701	106,949
Operating Transfers Out	(1,069,339)	(1,690)	---	1,907	(1,069,122)	(974,238)
Total Other Financing Sources (Uses)	(987,815)	(1,168)	3	---	(988,980)	(813,048)
Excess Revenues and Other Sources (Expenditures and Other Uses)	(13,344)	27,080	(288)	---	13,448	37,635
Fund Balances - Beginning	324,256	34,068	567	---	358,891	320,679
Increase (Decrease) in Reserve for Inventory	(521)	18	---	---	(503)	577
Fund Balances - Ending	$ 310,391	$ 61,166	$ 279	$ ---	$ 371,836	$ 358,891

The notes to the financial statements are an integral part of this statement.

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STATE OF MISSOURI
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
GENERAL FUND
For the Fiscal Year Ended June 30, 1988
(In Thousands of Dollars)

	General Fund			General Federal		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Taxes:						
Sales and Use Tax	$ 1,119,000	$ 1,108,287	$ (10,713)	$ ---	$ ---	$ ---
Individual Income Tax	1,624,500	1,670,912	46,412	---	---	---
Corporate Income Tax	256,000	239,204	(16,796)	---	---	---
County Foreign Insurance Tax	129,300	118,836	(10,464)	---	---	---
Liquor Tax	19,700	16,224	(3,476)	---	---	---
Beer Tax	7,500	7,336	(164)	---	---	---
Corporation Franchise Tax	53,400	49,650	(3,750)	---	---	---
Inheritance Tax	33,500	29,427	(4,073)	---	---	---
Miscellaneous Taxes	15,360	21,835	6,475	---	---	---
Taxes	3,258,260	3,261,711	3,451	---	---	---
Licenses, Fees and Permits	51,200	45,570	(5,630)	---	---	---
Sales	1,600	2,055	455	---	1,602	1,602
Leases and Rentals	---	111	111	---	325	325
Services	65,600	57,831	(7,769)	---	---	---
Contributions and Intergovernmental	3,200	2,589	(611)	1,293,935	1,122,858	(171,077)
Interest, Penalties and Unclaimed Properties	22,000	29,875	7,875	---	21	21
Miscellaneous Revenues	23,040	33,015	9,975	---	32,296	32,296
Total Revenues	3,424,900	3,432,757	7,857	1,293,935	1,157,102	(136,833)
Expenditures:						
Current:						
General Government	714,883	650,315	64,568	3,941	2,564	1,377
Education	572,532	555,187	17,345	261,747	228,036	33,711
Natural and Economic Resources	63,138	59,300	3,838	160,218	91,987	68,231
Transportation and Law Enforcement	22,980	20,628	2,352	30,089	20,570	9,519
Human Services	1,001,316	970,399	30,917	806,308	776,130	30,178
Capital Outlay	59,044	50,295	8,749	10,162	6	10,156
Total Expenditures	2,433,893	2,306,124	127,769	1,272,465	1,119,293	153,172
Excess Revenues (Expenditures)	991,007	1,126,633	135,626	21,470	37,809	16,339
Other Financing Sources (Uses):						
Operating Transfers In	113,215	97,809	(15,406)	---	258	258
Operating Transfers Out	(1,213,292)	(1,210,349)	2,943	(11,804)	(27,613)	(15,809)
Total Other Financing Sources (Uses):	(1,100,077)	(1,112,540)	(12,463)	(11,804)	(27,355)	(15,551)
Excess Revenues and Other Sources (Expenditures and Other Uses)	(109,070)	14,093	123,163	9,666	10,454	788
Fund Balances - Beginning	302,024	302,024	---	(17,455)	(17,455)	---
Fund Balances - Ending	$ 192,954	$ 316,117	$ 123,163	$ (7,789)	$ (7,001)	$ 788

Fund									
Revenue Sharing			Eliminations			Totals			
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ 1,119,000	$ 1,108,287	$ (10,713)
---	---	---	---	---	---	1,624,500	1,670,912	46,412
---	---	---	---	---	---	256,000	239,204	(16,796)
---	---	---	---	---	---	129,300	118,836	(10,464)
---	---	---	---	---	---	19,700	16,224	(3,476)
---	---	---	---	---	---	7,500	7,336	(164)
---	---	---	---	---	---	53,400	49,650	(3,750)
---	---	---	---	---	---	33,500	29,427	(4,073)
---	---	---	---	---	---	15,360	21,835	6,475
---	---	---	---	---	---	3,258,260	3,261,711	3,451
---	---	---	---	---	---	51,200	45,570	(5,630)
---	---	---	---	---	---	1,600	3,657	2,057
---	---	---	---	---	---	---	436	436
---	---	---	---	---	---	65,600	57,831	(7,769)
---	---	---	---	---	---	1,297,135	1,125,447	(171,688)
30	32	2	---	---	---	22,030	29,928	7,898
---	---	---	---	---	---	23,040	65,311	42,271
30	32	2	---	---	---	4,718,865	4,589,891	(128,974)
---	---	---	---	---	---	718,824	652,879	65,945
---	---	---	---	---	---	834,279	783,223	51,056
---	---	---	---	---	---	223,356	151,287	72,069
---	---	---	---	---	---	53,069	41,198	11,871
---	---	---	---	---	---	1,807,624	1,746,529	61,095
394	239	155	---	---	---	69,600	50,540	19,060
394	239	155	---	---	---	3,706,752	3,425,656	281,096
(364)	(207)	157	---	---	---	1,012,113	1,164,235	152,122
---	3	3	---	(1,907)	(1,907)	113,215	96,163	(17,052)
---	---	---	---	1,907	1,907	(1,225,096)	(1,236,055)	(10,959)
---	3	3	---	---	---	(1,111,881)	(1,139,892)	(28,011)
(364)	(204)	160	---	---	---	(99,768)	24,343	124,111
478	478	---	---	---	---	285,047	285,047	---
$ 114	$ 274	$ 160	$ ---	$ ---	$ ---	$ 185,279	$ 309,390	$ 124,111

The notes to the financial statements are an integral part of this schedule.

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The Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The State has numerous individual Special Revenue Funds, therefore, the funds have been combined into specific functional areas.

Professional Registration: Provides for the control and regulation of various professions by boards established for this purpose. Each board has its own fund to account for its operation.

Board of Accountancy
Board of Barber Examiners
Board of Podiatry
Board of Chiropractic Examiners
Board of Cosmetology
Board of Embalmers and Funeral Directors
Board of Registration for Healing Arts
Board of Nursing
Board of Optometry
Board of Pharmacy
Missouri Real Estate Commission
Veterinary Board
Committee of Professional Counselors
Dental Board
State Board of Architects, Engineers and Land Surveyors
Athletic
Professional Registration Fees

Public Education: Provides general and special education needs of the State and other related areas such as library services and student loans.

Missouri Job Development - Accounts for moneys from any source and used for vocational training or retraining.

State School Money - Accounts for funds distributed to public school districts.

Department of Social Services Educational Improvement - Accounts for moneys from the Department of Elementary and Secondary Education and is used for school foundation money for children placed in Division of Youth Services' custody.

State Seminary Money - Accounts for interest earnings to be spent for maintenance of the State university.

State Library - Accounts for federal moneys to be spent for State libraries.

State Guaranty Student Loan - Accounts for funds from any source to assist students in financing their education.

Excellence in Education - Accounts for moneys to be spent for education programs.

Missouri Prospective Teachers Loan - Accounts for funds from any source to assist students in financing their education to become teachers.

Fair Share - Accounts for additional tax on cigarettes for distribution to schools.

School District Trust - Accounts for sales tax moneys to be distributed to the public school districts of the State.

Conservation and Environmental Protection: Provides for the preservation of the State's wildlife and environment.

Conservation Commission - Accounts for fees and a special sales tax used to administer laws and regulations pertaining to forestry and wildlife resources.

Parks Sales Tax - Accounts for sales tax moneys spent to control, manage and regulate State parks.

Soil and Water Sales Tax - Accounts for sales tax moneys used for the conservation and management of the soil and water resources of the State.

Clean Water Commission - Accounts for fees collected for construction or operating permits and is used to administer and enforce the Missouri Clean Water Laws.

Petroleum Inspection - Accounts for fees collected for inspections of petroleum products and is used for the expenses of administering, regulating, testing and inspecting these products.

Water Well Drillers - Accounts for fees collected for permits and is used for the administration and enforcement of water well drillers' laws.

Energy Set-Aside Program - Accounts for moneys appropriated and any gifts, grants and bequests. These moneys are loaned to public school districts to implement energy conservation projects.

State Land Survey Program - Accounts for fees collected from State recorders and used for land survey programs.

Petroleum Violation Escrow - Accounts for fines collected from petroleum companies for petroleum violations and is used for energy programs.

Hazardous Waste - Accounts for moneys from fees and permits and from any other source for hazardous waste management and cleanup.

Safe Drinking Water - Accounts for fees and grants from any source for the administration of safe drinking water laws.

Coal Mine Land Reclamation - Accounts for fees assessed on the amount of coal processed and is used to restore the land.

Hazardous Waste Remedial - Accounts for moneys from fees, penalties and from any other source for administering hazardous waste services.

Missouri Air Pollution Control - Accounts for fees collected from automobile emissions inspection stations and is used for air pollution control programs.

Abandoned Mine Reclamation - Accounts for grants and gifts from any source for the administration of the "Surface Coal Mining Law".

Meramec-Onondaga State Park - Accounts for proceeds from the sale of this land by the Federal government and is used for the support and maintenance of these parks by the State.

Oil and Gas Remedial - Accounts for the proceeds from the sale of illegal oil products and is used for the costs of administering these laws.

Mined Land Reclamation - Accounts for fees, forfeiture of bonds, penalties and gifts and is used for the administration and enforcement of these laws.

Judicial Protection and Assistance: Provides for the protection of public employees by the Attorney General's Office, the conviction of criminal offenders by prosecuting attorneys and the assistance to victims of criminal offenses.

Attorney General's Court Costs - Accounts for moneys from general revenues used for paying court costs incurred in any case in which it is the duty of the Attorney General to be involved.

Missouri Prosecuting Attorney - Accounts for specific fees assessed as costs in most criminal cases. The moneys are used to reimburse political subdivisions for certain costs.

Merchandising Practices Revolving - Accounts for general revenues and moneys required to be deposited in this fund. These moneys are used to pay costs incurred by the Attorney General in cases concerning merchandising practices.

Attorney General's Anti-Trust - Accounts for general revenues and moneys required by law to be deposited in this fund. These moneys are used to pay all costs incurred by the Attorney General in cases concerning anti-trust laws.

Legal Defense and Defender - Accounts for moneys from services rendered. The moneys are used for training public defenders and for other lawful expenses as authorized by the public defender commission.

Criminal Record System - Accounts for fees collected from federal and nonstate of Missouri agencies for administering criminal history record information and fingerprint searches.

Missouri Office of Prosecution Services - Accounts for fees assessed as costs in most criminal proceedings. These moneys are used to assist the prosecuting attorneys throughout the State in their efforts against criminal activity.

Crime Victims' Compensation - Accounts for fees assessed as costs against a convicted criminal. These moneys are used to compensate victims of crime.

State Legal Expense - Accounts for general revenues, conservation moneys or highway revenues used to pay claims incurred against State departments or their employees.

Agricultural and State Fair Fees: Provides for inspections of products, market development and awards for competition at the State fair.

Apple Merchandising - Accounts for fees imposed on apples grown in the State which are sold for consumption. These moneys are used only for the costs of administering and enforcing laws concerning apple merchandising.

Livestock Dealer Law Enforcement and Administration - Accounts for penalties assessed for violations of the "Missouri Livestock Dealer Law" and is used for the benefit of the Division of Animal Health.

Milk Inspection Fees - Accounts for fees received from State milk inspection and used to pay the costs of performing such inspection.

Grain Inspection Fees - Accounts for fees received for providing grain inspection services and is used to pay the cost of providing this service.

Marketing Development - Accounts for moneys received by the Department of Agriculture from any source to be spent for marketing development only.

State Fair Trust - Accounts for money received as gifts, grants, legacies or devises and is used as prizes to the winners of five-gaited saddle horse stakes at the State Fair.

Social Assistance: Provides services to children and to the physically handicapped and provides health services to others.

Children's Service Commission - Accounts for gifts and grants from various sources to be spent for children's services as provided by law.

Disproportionate Share - Accounts for money received from the University of Missouri Hospital and is used for hospital care under Title XIX of the Social Security Act.

Blind Pension - Accounts for State property tax moneys used to provide a pension to certain blind people.

Department of Health - Donated - Accounts for moneys received from donations and spent for the arthritis program.

Missouri Disaster - Funds may be appropriated annually to the State emergency management agency and expended by the governor upon the issuance of an emergency declaration.

Children's Trust - Accounts for grants or gifts from any source to pay the administrative costs of and for establishing programs to prevent or alleviate child abuse or neglect.

Highways and Transportation: Provides transportation services, road construction and maintenance and the enforcement of vehicle laws and traffic safety.

Grade Crossing - Accounts for fifty percent of the taxes on car rentals by freight line companies and is used to construct safe crossings of roads with railroad tracks.

Highway Department - Accounts for fees paid by highway users and is used to operate the Highway Commission, Highway Department and to administer and enforce State motor vehicle laws or traffic regulations.

Railroad Expense - Accounts for assessments used to administer and enforce railroad regulations.

Motor Fuel Tax - Accounts for motor fuel taxes to be distributed to other governments and to the Highway Department funds.

Highway Patrol Academy - Accounts for fees charged for the training of peace officers and is used solely for the maintenance and operations of the Highway Patrol Academy.

State Transportation - Accounts for moneys from sales taxes and other sources to be used for State transportation purposes other than construction or maintenance of roads.

Highway Patrol Motor Vehicle Revolving - Accounts for proceeds from government agencies to be used solely for the purchase of Highway Patrol vehicles.

Aviation Trust - Accounts for fuel taxes not refunded to the users of fuel used in aircraft engines. These moneys are used as matching funds for the preventive maintenance of runways, taxiways, aprons and safety-related items.

Unemployment and Workers' Compensation: Provides for the administration of these laws and benefits to workers who qualify for workers' compensation.

Workers' Compensation - Accounts for taxes paid by insurance carriers and is used for victims of industrial injuries.

Workers' Compensation - Second Injury - Accounts for taxes paid by insurance carriers and is used for victims of industrial injuries where permanent disability occurs.

Unemployment Compensation Administration - Accounts for moneys from the State or Federal government and any other source used solely for the administration of the unemployment compensation laws.

Special Employment Security - Accounts for moneys paid as interest and penalties by the employer for unemployment fees not paid. These moneys are used to pay interest on advances from the Federal government and for expenditures necessary and proper under the unemployment compensation laws.

Reimbursements and Other: Provides various reimbursements of costs to other governments and various regulatory commissions not included in other functional areas.

Political Subdivision Reimbursement - Accounts for fees assessed as costs in criminal proceedings. These moneys are used to reimburse political subdivisions for certain costs.

Public Service Commission - Accounts for moneys assessed on public utilities to pay the expenditures of this commission which regulates them.

County Officers Compensation - Accounts for moneys assessed as costs in certain criminal and civil proceedings. These moneys are used to reimburse each county for certain costs.

Department of Revenue Information - Accounts for fees received by the Department of Revenue for publications and used to pay the costs of providing this information.

Department of Health - Document Services - Accounts for moneys received from fees collected for publications and used to pay the costs of providing this information.

Petition Audit Revolving Trust - Accounts for moneys received and costs incurred as a result of audits petitioned by the requisite percent of the qualified voters of a subdivision.

Insurance Examiners' Sick Leave - Accounts for fees assessed against domestic insurers who pay premium taxes on insurance business in the State. The money is used to pay insurance examiners who are temporarily unable, due to illness or injury, to continue an examination of an insurance company.

Missouri Horse Racing Commission - Accounts for moneys received from the licensing of race tracks, authorization of races and pari-mutual wagering pools. These moneys are used for the operation of the Horse Racing Commission.

State Elections Subsidy - Accounts for moneys appropriated by the General Assembly for making advance payments of election costs as required by law.

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STATE OF MISSOURI
COMBINING BALANCE SHEET
ALL SPECIAL REVENUE FUNDS
June 30, 1988
(In Thousands of Dollars)

	Professional Registration	Public Education	Conservation and Environmental Protection	Judicial Protection and Assistance
ASSETS				
Cash and Cash Equivalents	$ 7,573	$ 78,057	$ 148,742	$ 1,090
Accounts Receivable	---	22,008	1,621	---
Interest Receivable	---	924	1,954	2
Due from Other Funds	---	694	364	1
Inventory	12	13	381	---
Total Assets	$ 7,585	$ 101,696	$ 153,062	$ 1,093
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	$ 367	$ 15,272	$ 6,567	$ 226
Accrued Payroll	32	55	648	---
Due to Other Funds	66	43	1,060	177
Deferred Revenue	2	6,060	43,428	1
Total Liabilities	467	21,430	51,703	404
Fund Balances:				
Reserved for Encumbrances	---	---	16,421	---
Reserved for Inventory	12	13	381	---
Unreserved	7,106	80,253	84,557	689
Total Fund Balances	7,118	80,266	101,359	689
Total Liabilities and Fund Balances	$ 7,585	$ 101,696	$ 153,062	$ 1,093

Agricultural and State Fair Fees	Social Assistance	Highways and Transportation	Unemployment and Workers' Compensation	Reimbursements and Other	Totals June 30, 1988	Totals June 30, 1987
$ 1,690	$ 3,495	$ 28,199	$ 36,813	$ 3,822	$309,481	$302,622
300	---	26,905	1,586	255	52,675	42,728
13	18	---	333	1	3,245	2,446
1	2	1	40	1	1,104	704
1	---	868	358	15	1,648	1,755
$ 2,005	$ 3,515	$ 55,973	$ 39,130	$ 4,094	$368,153	$350,255
$ 247	$ 251	$ 11,015	$ 1,432	$ 249	$ 35,626	$ 36,224
31	---	1,589	445	5	2,805	3,283
19	1	20,699	796	103	22,964	20,968
2	2	---	954	50	50,499	65,836
299	254	33,303	3,627	407	111,894	126,311
---	---	724	2,413	---	19,558	2,452
1	---	868	358	15	1,648	1,755
1,705	3,261	21,078	32,732	3,672	235,053	219,737
1,706	3,261	22,670	35,503	3,687	256,259	223,944
$ 2,005	$ 3,515	$ 55,973	$ 39,130	$ 4,094	$368,153	$350,255

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 1988
(In Thousands of Dollars)

	Professional Registration	Public Education	Conservation and Environmental Protection	Judicial Protection and Assistance
Revenues:				
Taxes	$ ---	$ 453,613	$ 90,637	$ ---
Licenses, Fees and Permits	7,128	3,094	18,514	573
Sales	---	---	2,209	---
Leases and Rentals	---	---	102	---
Contributions and Intergovernmental	---	29,877	16,358	1
Interest, Penalties and Unclaimed Properties	---	5,002	22,555	2,422
Miscellaneous Revenues	---	30	305	30
Total Revenues	7,128	491,616	150,680	3,026
Expenditures:				
Current:				
General Government	240	37	591	4,618
Education	---	1,488,340	---	---
Natural and Economic Resources	6,169	3,310	81,859	1,662
Transportation and Law Enforcement	---	---	286	49
Human Services	13	706	116	---
Capital Outlay:				
Current Expenditures	93	57	33,673	1
Capital Lease Purchases	---	---	59	---
Total Expenditures	6,515	1,492,450	116,584	6,330
Excess Revenues (Expenditures)	613	(1,000,834)	34,096	(3,304)
Other Financing Sources (Uses):				
Proceeds from Capital Leases	---	---	59	---
Operating Transfers In	---	984,375	596	3,610
Operating Transfers Out	(802)	(2,784)	(511)	(172)
Total Other Financing Sources (Uses)	(802)	981,591	144	3,438
Excess Revenues and Other Sources (Expenditures and Other Uses)	(189)	(19,243)	34,240	134
Fund Balances - Beginning	7,314	99,504	67,263	555
Increase (Decrease) in Reserve for Inventory	(7)	5	(144)	---
Fund Balances - Ending	$ 7,118	$ 80,266	$ 101,359	$ 689

Agricultural and State Fair Fees	Social Assistance	Highways and Transportation	Unemployment and Workers' Compensation	Reimbursements and Other	Totals June 30, 1988	Totals June 30, 1987
$ 331	$ 10,860	$ 455,373	$ 23,558	$ 57	$1,034,429	$ 876,450
3,500	---	205,614	2	7,751	246,176	240,143
---	---	2,667	29	2,355	7,260	6,608
---	---	---	---	---	102	136
---	3,070	18	60,305	109	109,738	97,387
48	74	48	2,185	930	33,264	21,280
6	9	186	20	34	620	897
3,885	14,013	663,906	86,099	11,236	1,431,589	1,242,901
4	11	109,651	499	3,335	118,986	103,292
---	---	---	---	---	1,488,340	1,368,449
3,662	---	4,016	72,886	7,757	181,321	162,154
---	1,470	172,536	---	---	174,341	150,999
---	11,798	115	---	17	12,765	12,506
144	20	11,727	2,780	240	48,735	46,611
---	---	1,939	---	---	1,998	341
3,810	13,299	299,984	76,165	11,349	2,026,486	1,844,352
75	714	363,922	9,934	(113)	(594,897)	(601,451)
---	---	1,939	---	---	1,998	341
2	2,528	3,054	67	2,134	996,366	910,257
---	(2,002)	(361,521)	---	(3,252)	(371,044)	(273,826)
2	526	(356,528)	67	(1,118)	627,320	636,772
77	1,240	7,394	10,001	(1,231)	32,423	35,321
1,628	2,021	15,306	25,434	4,919	223,944	188,398
1	---	(30)	68	(1)	(108)	225
$ 1,706	$ 3,261	$ 22,670	$ 35,503	$ 3,687	$ 256,259	$ 223,944

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
BUDGETED SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 1988
(In Thousands of Dollars)

	Professional Registration			Public Education		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Taxes:						
Sales and Use Tax	$ ---	$ ---	$ ---	$ 379,500	$ 370,197	$ (9,303)
Cigarette Tax	---	---	---	81,863	83,129	1,266
Miscellaneous Taxes	---	---	---	---	---	---
Taxes	---	---	---	461,363	453,326	(8,037)
Licenses, Fees and Permits	7,634	7,138	(496)	5,725	3,278	(2,447)
Sales	---	---	---	---	---	---
Leases and Rentals	---	---	---	---	---	---
Contributions and Intergovernmental	---	---	---	41,506	21,954	(19,552)
Interest, Penalties and Unclaimed Properties	---	---	---	4,660	4,933	273
Miscellaneous Revenues	---	1	1	22	160	138
Total Revenues	7,634	7,139	(495)	513,276	483,651	(29,625)
Expenditures:						
Current:						
General Government	241	239	2	37	37	---
Education	---	---	---	1,526,397	1,488,268	38,129
Natural and Economic Resources	5,805	5,484	321	---	---	---
Transportation and Law Enforcement	---	---	---	---	---	---
Human Services	---	---	---	---	---	---
Capital Outlay	---	---	---	---	---	---
Total Expenditures	6,046	5,723	323	1,526,434	1,488,305	38,129
Excess Revenues (Expenditures)	1,588	1,416	(172)	(1,013,158)	(1,004,654)	8,504
Other Financing Sources (Uses):						
Operating Transfers In	---	---	---	984,756	978,375	(6,381)
Operating Transfers Out	(1,907)	(1,602)	305	(2,840)	(3,025)	(185)
Total Other Financing Sources (Uses)	(1,907)	(1,602)	305	981,916	975,350	(6,566)
Excess Revenues and Other Sources (Expenditures and Other Uses)	(319)	(186)	133	(31,242)	(29,304)	1,938
Fund Balances - Beginning	7,295	7,295	---	85,060	85,060	---
Fund Balances - Ending	$ 6,976	$ 7,109	$ 133	$ 53,818	$ 55,756	$ 1,938

Conservation and Environmental Protection			Judicial Protection and Assistance		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
$ 91,141	$ 89,183	$ (1,958)	$ ---	$ ---	$ ---
---	---	---	---	---	---
1,621	1,344	(277)	---	---	---
92,762	90,527	(2,235)	---	---	---
18,639	18,158	(481)	278	469	191
2,403	2,148	(255)	---	---	---
---	99	99	---	---	---
10,679	12,598	1,919	---	1	1
6,383	8,253	1,870	1,600	1,656	56
24	343	319	34	32	(2)
130,890	132,126	1,236	1,912	2,158	246
926	761	165	671	626	45
1,948	108	1,840	---	---	---
93,294	79,209	14,085	1,789	1,646	143
301	292	9	50	49	1
102	101	1	---	---	---
36,026	28,650	7,376	---	---	---
132,597	109,121	23,476	2,510	2,321	189
(1,707)	23,005	24,712	(598)	(163)	435
---	597	597	288	286	(2)
(11,164)	(7,789)	3,375	(69)	(50)	19
(11,164)	(7,192)	3,972	219	236	17
(12,871)	15,813	28,684	(379)	73	452
124,275	124,275	---	228	228	---
$ 111,404	$ 140,088	$ 28,684	$ (151)	$ 301	$ 452

This schedule is continued on pages 65 - 67.

The notes to the financial statements are an integral part of this schedule.

	Agricultural and State Fair Fees			Social Assistance		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Taxes:						
Sales and Use Tax	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---
Cigarette Tax	---	---	---	---	---	---
Miscellaneous Taxes	369	331	(38)	10,121	10,876	755
Taxes	369	331	(38)	10,121	10,876	755
Licenses, Fees and Permits	4,548	3,479	(1,069)	---	---	---
Sales	---	---	---	---	---	---
Leases and Rentals	---	---	---	---	---	---
Contributions and Intergovernmental	---	---	---	---	---	---
Interest, Penalties and Unclaimed Properties	63	49	(14)	---	---	---
Miscellaneous Revenues	8	6	(2)	---	36	36
Total Revenues	4,988	3,865	(1,123)	10,121	10,912	791
Expenditures:						
Current:						
General Government	7	4	3	---	---	---
Education	---	---	---	---	---	---
Natural and Economic Resources	4,779	3,554	1,225	---	---	---
Transportation and Law Enforcement	---	---	---	---	---	---
Human Services	---	---	---	10,600	10,489	111
Capital Outlay	---	---	---	---	---	---
Total Expenditures	4,786	3,558	1,228	10,600	10,489	111
Excess Revenues (Expenditures)	202	307	105	(479)	423	902
Other Financing Sources (Uses):						
Operating Transfers In	---	3	3	2,500	2,002	(498)
Operating Transfers Out	(354)	(260)	94	(2,501)	(2,003)	498
Total Other Financing Sources (Uses)	(354)	(257)	97	(1)	(1)	---
Excess Revenues and Other Sources (Expenditures and Other Uses)	(152)	50	202	(480)	422	902
Fund Balances - Beginning	1,343	1,343	---	1,709	1,709	---
Fund Balances - Ending	$ 1,191	$ 1,393	$ 202	$ 1,229	$ 2,131	$ 902

Highways and Transportation			Unemployment and Workers' Compensation		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
$ 23,442	$ 23,637	$ 195	$ ---	$ ---	$ ---
---	---	---	---	---	---
668	557	(111)	14,033	24,330	10,297
24,110	24,194	84	14,033	24,330	10,297
123,407	126,160	2,753	---	2	2
2,400	2,698	298	---	28	28
---	---	---	---	---	---
18	18	---	263	254	(9)
---	47	47	1,698	2,049	351
319	292	(27)	---	29	29
150,254	153,409	3,155	15,994	26,692	10,698
44,493	43,271	1,222	1,237	1,220	17
---	---	---	---	---	---
3,893	3,588	305	18,192	13,939	4,253
130,796	127,431	3,365	---	---	---
103	100	3	---	---	---
5,523	2,776	2,747	465	465	---
184,808	177,166	7,642	19,894	15,624	4,270
(34,554)	(23,757)	10,797	(3,900)	11,068	14,968
255,481	266,673	11,192	---	67	67
(13,084)	(244,242)	(231,158)	(1,297)	(911)	386
242,397	22,431	(219,966)	(1,297)	(844)	453
207,843	(1,326)	(209,169)	(5,197)	10,224	15,421
1,530	1,530	---	24,427	24,427	---
$ 209,373	$ 204	$ (209,169)	$ 19,230	$ 34,651	$ 15,421

This schedule is continued on page 67.

The notes to the financial statements are an integral part of this schedule.

	Reimbursements and Other			Totals		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Taxes:						
Sales and Use Tax	$ 18	$ 20	$ 2	$ 494,101	$ 483,037	$ (11,064)
Cigarette Tax	---	---	---	81,863	83,129	1,266
Miscellaneous Taxes	---	---	---	26,812	37,438	10,626
Taxes	18	20	2	602,776	603,604	828
Licenses, Fees and Permits	7,752	7,688	(64)	167,983	166,372	(1,611)
Sales	1,886	2,351	465	6,689	7,225	536
Leases and Rentals	---	---	---	---	99	99
Contributions and Intergovernmental	76	109	33	52,542	34,934	(17,608)
Interest, Penalties and Unclaimed Properties	---	---	---	14,404	16,987	2,583
Miscellaneous Revenues	---	9	9	407	908	501
Total Revenues	9,732	10,177	445	844,801	830,129	(14,672)
Expenditures:						
Current:						
General Government	527	505	22	48,139	46,663	1,476
Education	---	---	---	1,528,345	1,488,376	39,969
Natural and Economic Resources	7,717	6,764	953	135,469	114,184	21,285
Transportation and Law Enforcement	---	---	---	131,147	127,772	3,375
Human Services	---	---	---	10,805	10,690	115
Capital Outlay	---	---	---	42,014	31,891	10,123
Total Expenditures	8,244	7,269	975	1,895,919	1,819,576	76,343
Excess Revenues (Expenditures)	1,488	2,908	1,420	(1,051,118)	(989,447)	61,671
Other Financing Sources (Uses):						
Operating Transfers In	235	235	---	1,243,260	1,248,238	4,978
Operating Transfers Out	(2,198)	(4,430)	(2,232)	(35,414)	(264,312)	(228,898)
Total Other Financing Sources (Uses)	(1,963)	(4,195)	(2,232)	1,207,846	983,926	(223,920)
Excess Revenues and Other Sources (Expenditures and Other Uses)	(475)	(1,287)	(812)	156,728	(5,521)	(162,249)
Fund Balances - Beginning	4,586	4,586	---	250,453	250,453	---
Fund Balances - Ending	$ 4,111	$ 3,299	$ (812)	$ 407,181	$ 244,932	$ (162,249)

The notes to the financial statements are an integral part of this schedule.

Debt Service Funds account for the accumulation of resources for and the payment of general long-term debt principal and interest.

Water Pollution Control Bond and Interest - Accounts for the money used to pay the principal of the Water Pollution Control Bonds and the interest thereon.

Third State Building Bond Interest and Sinking - Accounts for the money used to pay the principal of the Third State Building Bonds and the interest thereon.

STATE OF MISSOURI
COMBINING BALANCE SHEET
ALL DEBT SERVICE FUNDS
June 30, 1988
(In Thousands of Dollars)

	Water Pollution Control Bond and Interest	Third State Building Bond Interest and Sinking	Totals June 30, 1988	Totals June 30, 1987
ASSETS				
Cash and Cash Equivalents	$ 23,457	$ 58,949	$ 82,406	$ 72,669
Interest Receivable	280	683	963	1,081
Due from Other Funds	34	82	116	80
Total Assets	$ 23,771	$ 59,714	$ 83,485	$ 73,830
LIABILITIES AND FUND BALANCES				
Liabilities:				
Deferred Revenue	$ 50	$ 102	$ 152	$ 370
Matured Bonds Payable	824	8	832	---
Matured Interest Payable	497	42	539	1,061
Total Liabilities	1,371	152	1,523	1,431
Fund Balances:				
Reserved for Debt Service	22,400	59,562	81,962	72,399
Total Fund Balances	22,400	59,562	81,962	72,399
Total Liabilities and Fund Balances	$ 23,771	$ 59,714	$ 83,485	$ 73,830

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL DEBT SERVICE FUNDS
For the Fiscal Year Ended June 30, 1988
(In Thousands of Dollars)

	Water Pollution Control Bond and Interest	Third State Building Bond Interest and Sinking	Totals June 30, 1988	Totals June 30, 1987
Revenues:				
Interest	$ 1,513	$ 3,359	$ 4,872	$ 4,110
Total Revenues	1,513	3,359	4,872	4,110
Expenditures:				
Debt Service:				
Principal	4,840	5,865	10,705	7,395
Interest	13,981	45,982	59,963	41,470
Total Expenditures	18,821	51,847	70,668	48,865
Excess Revenues (Expenditures)	(17,308)	(48,488)	(65,796)	(44,755)
Other Financing Sources (Uses):				
Proceeds of Refunding Bonds	49,833	170,542	220,375	---
Payment to Refunded Bond Escrow Agent	(49,833)	(170,542)	(220,375)	---
Operating Transfers In	20,169	55,190	75,359	64,483
Total Other Financing Sources	20,169	55,190	75,359	64,483
Excess Revenues and Other Sources (Expenditures and Other Uses)	2,861	6,702	9,563	19,728
Fund Balances - Beginning	19,539	52,860	72,399	52,671
Fund Balances - Ending	$ 22,400	$ 59,562	$ 81,962	$ 72,399

The notes to the financial statements are an integral part of this statement.

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STATE OF MISSOURI
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
ALL DEBT SERVICE FUNDS
For the Fiscal Year Ended June 30, 1988
(In Thousands of Dollars)

	Water Pollution Control Bond and Interest		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Interest	$ ---	$ 1,515	$ 1,515
Total Revenues	---	1,515	1,515
Expenditures:			
Debt Service	19,709	18,821	888
Total Expenditures	19,709	18,821	888
Excess Revenues (Expenditures)	(19,709)	(17,306)	2,403
Other Financing Sources:			
Operating Transfers In	23,088	20,170	(2,918)
Total Other Financing Sources	23,088	20,170	(2,918)
Excess Revenues and Other Sources (Expenditures)	3,379	2,864	(515)
Fund Balances - Beginning	19,272	19,272	---
Fund Balances - Ending	$ 22,651	$ 22,136	$ (515)

Third State Building Bond Interest and Sinking			Totals		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
$ ---	$ 3,221	$ 3,221	$ ---	$ 4,736	$ 4,736
---	3,221	3,221	---	4,736	4,736
52,966	51,847	1,119	72,675	70,668	2,007
52,966	51,847	1,119	72,675	70,668	2,007
(52,966)	(48,626)	4,340	(72,675)	(65,932)	6,743
60,100	55,190	(4,910)	83,188	75,360	(7,828)
60,100	55,190	(4,910)	83,188	75,360	(7,828)
7,134	6,564	(570)	10,513	9,428	(1,085)
52,335	52,335	---	71,607	71,607	---
$ 59,469	$ 58,899	$ (570)	$ 82,120	$ 81,035	$ (1,085)

The notes to the financial statements are an integral part of this schedule.

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Capital Projects Funds account for financial resources to be used for the acquisition or construction of major capital facilities.

Natural Resources Land and Water - Accounts for Federal grant moneys used to finance local recreation projects.

State Road - Accounts for revenues from highway user's fees and Federal reimbursements for highway projects. Expenditures are for the purpose of constructing and maintaining an adequate system of State highways.

Water Pollution Control - Accounts for bond sale proceeds to be used for the protection of the environment through the control of water pollution.

Third State Building - Accounts for bond sale proceeds to be used for improvements of State buildings and property including State parks.

STATE OF MISSOURI
COMBINING BALANCE SHEET
ALL CAPITAL PROJECTS FUNDS
June 30, 1988
(In Thousands of Dollars)

	Natural Resources Land and Water	State Road	Water Pollution Control	Third State Building	Totals June 30, 1988	Totals June 30, 1987
ASSETS						
Cash and Cash Equivalents	$ 224	$ 89,521	$ 34,310	$177,452	$301,507	$294,836
Accounts Receivable	---	42,551	---	---	42,551	32,482
Interest Receivable	---	1,142	153	2,231	3,526	3,389
Due from Other Funds	---	15,546	19	269	15,834	15,645
Inventory	---	35,300	---	---	35,300	31,428
Total Assets	$ 224	$184,060	$ 34,482	$179,952	$398,718	$377,780
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts Payable	$ ---	$ 70,530	$ ---	$ 13,304	$ 83,834	$ 68,846
Accrued Payroll	---	1,341	---	7	1,348	473
Due to Other Entities	---	66	---	---	66	74
Due to Other Funds	---	740	---	2	742	684
Deferred Revenue	---	3,529	23	290	3,842	5,645
Total Liabilities	---	76,206	23	13,603	89,832	75,722
Fund Balances:						
Reserved for Encumbrances	72	7,539	23,212	6,741	37,564	117,746
Reserved for Inventory	---	35,300	---	---	35,300	31,428
Unreserved	152	65,015	11,247	159,608	236,022	152,884
Total Fund Balances	224	107,854	34,459	166,349	308,886	302,058
Total Liabilities and Fund Balances	$ 224	$184,060	$ 34,482	$179,952	$398,718	$377,780

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL CAPITAL PROJECTS FUNDS
For the Fiscal Year Ended June 30, 1988
(In Thousands of Dollars)

	Natural Resources Land and Water	State Road	Water Pollution Control	Third State Building	Totals June 30, 1988	Totals June 30, 1987
Revenues:						
Licenses, Fees and Permits	$ ---	$ 1,088	$ ---	$ ---	$ 1,088	$ 916
Sales	---	1,907	---	---	1,907	2,269
Leases and Rentals	---	471	---	---	471	420
Contributions and Intergovernmental	---	262,134	---	---	262,134	300,486
Interest, Penalties and Unclaimed Properties	---	3,891	1,916	12,954	18,761	20,341
Miscellaneous Revenues	---	1,525	---	9	1,534	1,975
Total Revenues	---	271,016	1,916	12,963	285,895	326,407
Expenditures:						
Current:						
General Government	---	---	40	1,871	1,911	1,936
Education	---	---	---	107	107	176
Natural and Economic Resources	---	---	29,137	6,740	35,877	43,713
Transportation and Law Enforcement	---	574,862	---	19	574,881	571,270
Human Services	---	---	---	220	220	193
Capital Outlay	16	18,931	1	118,085	137,033	143,734
Total Expenditures	16	593,793	29,178	127,042	750,029	761,022
Excess Revenues (Expenditures)	(16)	(322,777)	(27,262)	(114,079)	(464,134)	(434,615)
Other Financing Sources (Uses):						
Proceeds of General Obligation Bonds	---	---	35,112	75,241	110,353	381,158
Operating Transfers In	---	357,327	122	494	357,943	266,617
Operating Transfers Out	---	(1,207)	---	---	(1,207)	(2,173)
Total Other Financing Sources	---	356,120	35,234	75,735	467,089	645,602
Excess Revenues and Other Sources (Expenditures and Other Uses)	(16)	33,343	7,972	(38,344)	2,955	210,987
Fund Balances - Beginning	240	70,638	26,487	204,693	302,058	90,459
Increase in Reserve for Inventory	---	3,873	---	---	3,873	612
Fund Balances - Ending	$ 224	$ 107,854	$ 34,459	$ 166,349	$ 308,886	$ 302,058

The notes to the financial statements are an integral part of this statement.

Enterprise Funds account for operations that are financed and operated in a manner similar to private business enterprises.

State Parks - Accounts for bond sale proceeds, park concessions and contributions which are used to acquire and operate State parks and to retire revenue bonds.

Missouri Veterans' Homes - Accounts for fees to provide services for persons confined to one of the institutions.

Missouri Rehabilitation Center - Accounts for fees to provide services for persons confined to the institution.

Industrial Development and Reserve - Accounts for revenues from appropriations, grants, gifts, donations and other sources used to defray losses which may be incurred in connection with loans received by the fund.

State Cancer Center - Accounts for revenues from counties, municipalities, guardians or other sources for persons confined in this institution which are used for the operation, maintenance and improvement of the institution.

State Agency for Surplus Property - Accounts for the surplus property operation.

Board of Public Buildings - Accounts for bond sale proceeds and rental fees for various State buildings which are used to provide for the retirement of the bond principal and interest and to maintain and operate the buildings.

Housing Development Commission - Accounts for bond and note proceeds for making or purchasing loans to finance the building or rehabilitation of low and moderate income housing and for revenues used to retire these bonds and notes.

Higher Education Loan Authority - Accounts for bond proceeds to provide guaranteed student loans for eligible post-secondary education students and for revenues used to retire these bonds.

State Environmental Improvement and Energy Resources Authority - Accounts for moneys to provide for the conservation of air, land and water resources of this State.

Health and Educational Facilities Authority - Accounts for moneys from bond proceeds and notes to finance the building of qualified health and/or educational institutions within the State.

State Lottery - Accounts for proceeds from the sale of lottery tickets and all other moneys credited or transferred to this fund. The moneys will be divided with a maximum of 45% used for prizes, 10% for commissions, administration and promotion costs, and a minimum of 45% credited to the General Revenue Fund.

Other Enterprise - This grouping includes six funds:

Commodity Council Merchandising - Accounts for fees imposed under the commodity merchandising program for the use and benefit of the commodity councils.

State Fair Fees - Accounts for the fairground admission fees used to improve the grounds and to pay the operating expenses for the State fair.

Natural Resources Document Services - Accounts for the publishing of maps and documents.

Historic Preservation Revolving - Accounts for gifts, grants and contributions used to acquire, preserve, restore, maintain or operate any historical properties.

Industrial Development Board - Accounts for moneys from bond proceeds, gifts and grants to make loans for industrial development.

Agriculture and Small Business Development Authority - Accounts for moneys from bond proceeds to finance agricultural and small business development loans for property acquisitions and renovations and the pollution control facilities within the State.

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STATE OF MISSOURI
COMBINING BALANCE SHEET
ALL ENTERPRISE FUNDS
June 30, 1988
(In Thousands of Dollars)

	State Parks	Missouri Veterans' Homes	Missouri Rehabilitation Center	Industrial Development and Reserve	State Cancer Center	State Agency for Surplus Property
ASSETS						
Cash and Cash Equivalents	$ 3,422	$ 445	$ 436	$ 622	$ 3,787	$ 590
Accounts Receivable	---	729	2,080	---	1,984	207
Interest Receivable	24	---	---	---	55	---
Due from Other Funds	---	---	---	---	7	---
Inventory	2	186	418	---	236	---
Prepaid Items	---	---	---	---	---	5
Deferred Charges	---	---	---	---	---	---
Loans Receivable	---	---	---	---	---	---
Restricted Assets:						
Cash	1	---	---	---	---	---
Investments	1,506	---	---	---	---	---
Receivables	---	---	---	---	---	---
Construction in Progress	---	---	---	---	---	---
Land	7,812	---	---	---	---	---
Land Improvements	2,391	---	---	---	---	---
Accumulated Depreciation	(932)	---	---	---	---	---
Buildings	9,342	---	---	---	500	---
Accumulated Depreciation	(4,919)	---	---	---	(13)	---
Equipment	---	158	365	---	4,973	462
Accumulated Depreciation	---	(102)	(112)	---	(3,763)	(312)
Total Assets	$18,649	$ 1,416	$ 3,187	$ 622	$ 7,766	$ 952
LIABILITIES AND FUND EQUITY						
Liabilities:						
Accounts Payable	$ 202	$ 192	$ 348	$ ---	$ 440	$ 53
Accrued Payroll	35	4	28	---	74	3
Due to Other Funds	---	101	163	---	19	---
Deferred Revenue	12	---	---	---	8	---
Bonds Payable - Current	335	---	---	---	---	---
Payable From Restricted Assets	452	---	---	---	---	---
Bonds and Notes Payable	2,650	---	---	---	---	---
Leave Liability	---	348	506	---	255	26
Obligations Under Lease/Purchase	---	---	---	---	---	---
Total Liabilities	3,686	645	1,045	---	796	82
Fund Equity:						
Contributed Capital	---	---	---	---	---	---
Retained Earnings:						
Reserved for Revenue Bonds	533	---	---	---	---	---
Reserved for Education	---	---	---	---	---	---
Unreserved	14,430	771	2,142	622	6,970	870
Total Fund Equity	14,963	771	2,142	622	6,970	870
Total Liabilities and Fund Equity	$18,649	$ 1,416	$ 3,187	$ 622	$ 7,766	$ 952

Board of Public Buildings	Housing Development Commission	Higher Education Loan Authority	State Environmental Improvement and Energy Resources Authority	Health and Educational Facilities Authority	State Lottery	Other Enterprise	Totals June 30, 1988	Totals June 30, 1987
$ 2,343	$ 66,731	$ 1,193	$ 2,858	$ 922	$ 44,312	$ 3,074	$ 130,735	$ 153,944
108	661	---	---	19	1,406	---	7,194	10,080
---	9,824	2,577	41	---	257	---	12,778	13,980
---	---	---	5	---	27	---	39	41
---	---	---	---	---	544	123	1,509	1,274
25	---	---	---	45	---	---	75	60
---	4,313	1,545	---	---	---	---	5,858	4,099
---	966,993	115,756	38	1,108,917	---	---	2,191,704	1,955,997
55,873	4,584	72,225	---	6,826	---	---	139,509	90,522
---	346,784	---	---	271,303	---	---	619,593	704,893
573	2,317	---	---	3,355	---	---	6,245	11,129
7,809	---	---	---	---	---	---	7,809	6,872
7,673	---	---	---	---	185	185	15,855	15,633
1,587	---	---	---	---	---	---	3,978	3,942
(302)	---	---	---	---	---	---	(1,234)	(1,045)
175,307	750	---	---	---	2,506	---	188,405	183,493
(18,736)	---	---	---	---	(154)	---	(23,822)	(17,687)
5,508	566	---	33	68	4,948	---	17,081	14,970
(2,438)	---	---	(21)	(11)	(2,034)	---	(8,793)	(6,768)
$ 235,330	$ 1,403,523	$ 193,296	$ 2,954	$ 1,391,444	$ 51,997	$ 3,382	$3,314,518	$3,145,429
$ 1,799	$ 1,575	$ 179	$ 107	$ 14,369	$ 5,791	$ 289	$ 25,344	$ 11,540
11	---	---	10	---	23	17	205	167
548	---	---	---	---	7,500	9	8,340	21,135
10	2,194	---	---	40	---	---	2,264	1,325
7,650	28,885	5,355	---	49,654	---	---	91,879	158,429
5,541	60,115	2,615	---	---	---	---	68,723	82,465
165,036	1,177,864	180,772	---	1,169,943	---	---	2,696,265	2,380,933
290	---	---	---	---	220	---	1,645	609
3	---	---	---	---	---	---	3	5
180,888	1,270,633	188,921	117	1,234,006	13,534	315	2,894,668	2,656,608
38,173	---	---	---	---	---	---	38,173	38,174
14,050	75,308	---	---	156,466	---	---	246,357	322,227
---	---	---	---	---	23,000	---	23,000	23,000
2,219	57,582	4,375	2,837	972	15,463	3,067	112,320	105,420
54,442	132,890	4,375	2,837	157,438	38,463	3,067	419,850	488,821
$ 235,330	$ 1,403,523	$ 193,296	$ 2,954	$ 1,391,444	$ 51,997	$ 3,382	$3,314,518	$3,145,429

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
ALL ENTERPRISE FUNDS
For the Fiscal Year Ended June 30, 1988
(In Thousands of Dollars)

	State Parks	Missouri Veterans' Homes	Missouri Rehabilitation Center	Industrial Development and Reserve	State Cancer Center	State Agency for Surplus Property
Operating Revenues:						
Licenses, Fees and Permits	$ 1,836	$ ---	$ 664	$ ---	$ 4	$ ---
Sales	58	4	124	---	36	978
Leases and Rentals	829	---	29	---	60	---
Services	---	---	4,205	---	5,154	---
Interest	108	---	---	---	279	---
Miscellaneous Revenues	---	---	4	---	7	---
Total Operating Revenues	2,831	4	5,026	---	5,540	978
Operating Expenses:						
Personal Services	297	4,989	5,573	---	2,265	544
Operations	465	931	1,027	---	2,216	580
Inventories	697	1,076	1,449	---	1,337	28
Specific Programs	---	---	---	178	---	---
Interest	---	---	---	---	---	---
Depreciation	441	26	73	---	402	33
Other Charges	15	9	33	---	74	16
Total Operating Expenses	1,915	7,031	8,155	178	6,294	1,201
Operating Income (Loss)	916	(7,027)	(3,129)	(178)	(754)	(223)
Non-Operating Revenues (Expenses):						
Contributions and Intergovernmental	---	6,708	1,628	---	---	---
Interest	---	---	---	---	---	33
Interest on Debt	---	---	---	---	---	---
Increase (Decrease) in Reserve Accounts	(29)	---	---	---	---	---
Gain (Loss) on Disposal of Fixed Assets	---	---	---	---	---	---
Miscellaneous Revenues (Expenses)	(345)	---	---	---	---	168
Total Non-Operating Revenues (Expenses)	(374)	6,708	1,628	---	---	201
Income (Loss) Before Operating Transfers	542	(319)	(1,501)	(178)	(754)	(22)
Operating Transfers:						
Operating Transfers In	---	---	---	---	61	---
Operating Transfers Out	---	---	---	---	---	---
Net Operating Transfers	---	---	---	---	61	---
Net Income (Loss) Before Extraordinary Item	542	(319)	(1,501)	(178)	(693)	(22)
Loss on Extinguishment of Debt	---	---	---	---	---	---
Net Income (Loss)	542	(319)	(1,501)	(178)	(693)	(22)
Retained Earnings - Beginning	14,421	1,090	3,643	800	7,663	892
Prior Period Adjustment	---	---	---	---	---	---
Retained Earnings - Ending	$14,963	$ 771	$ 2,142	$ 622	$ 6,970	$ 870

Board of Public Buildings	Housing Development Commission	Higher Education Loan Authority	State Environmental Improvement and Energy Resources Authority	Health and Educational Facilities Authority	State Lottery	Other Enterprise	Totals June 30, 1988	Totals June 30, 1987
$ ---	$ 2,366	$ ---	$ 67	$ 467	$ 167	$ 7,746	$ 13,317	$ 7,868
---	---	---	---	---	147,761	---	148,961	175,591
35,682	---	---	---	---	---	384	36,984	29,463
---	---	---	---	---	---	---	9,359	9,507
---	106,543	8,385	---	---	---	---	115,315	110,607
80	---	14	3	4	---	10	122	110
35,762	108,909	8,399	70	471	147,928	8,140	324,058	333,146
5,002	1,313	---	140	105	5,168	510	25,906	23,152
6,352	4,312	2,482	638	327	84,644	1,516	105,490	125,360
---	---	---	---	---	---	105	4,692	4,610
---	---	---	---	---	---	4,208	4,386	---
---	91,586	9,016	---	---	---	---	100,602	98,531
6,495	---	---	5	5	1,030	---	8,510	4,682
---	---	---	---	---	3,549	87	3,783	2,161
17,849	97,211	11,498	783	437	94,391	6,426	253,369	258,496
17,913	11,698	(3,099)	(713)	34	53,537	1,714	70,689	74,650
---	---	4,500	21	---	---	---	12,857	12,990
3,234	---	---	183	83	4,541	15	8,089	8,729
(12,295)	---	---	---	---	---	---	(12,295)	(12,406)
---	---	---	---	(15,860)	---	---	(15,889)	(148,232)
2	---	---	---	(23)	---	---	(21)	2
274	---	---	386	---	---	---	483	308
(8,785)	---	4,500	590	(15,800)	4,541	15	(6,776)	(138,609)
9,128	11,698	1,401	(123)	(15,766)	58,078	1,729	63,913	(63,959)
---	---	---	---	---	---	---	61	1,000
(1,671)	---	---	(3)	---	(66,583)	---	(68,257)	(96,197)
(1,671)	---	---	(3)	---	(66,583)	---	(68,196)	(95,197)
7,457	11,698	1,401	(126)	(15,766)	(8,505)	1,729	(4,283)	(159,156)
---	---	---	---	(64,687)	---	---	(64,687)	(6,424)
7,457	11,698	1,401	(126)	(80,453)	(8,505)	1,729	(68,970)	(165,580)
8,812	121,192	2,974	2,963	237,891	46,968	1,338	450,647	612,409
---	---	---	---	---	---	---	---	3,818
$ 16,269	$ 132,890	$ 4,375	$ 2,837	$ 157,438	$ 38,463	$ 3,067	$ 381,677	$ 450,647

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
ALL ENTERPRISE FUNDS
For the Fiscal Year Ended June 30, 1988
(In Thousands of Dollars)

	State Parks	Missouri Veterans' Homes	Missouri Rehabilitation Center	Industrial Development and Reserve	State Cancer Center	State Agency for Surplus Property
Sources of Working Capital						
Operations:						
Net Income (Loss) Before Extraordinary Item	$ 542	$ (319)	$ (1,501)	$ (178)	$ (693)	$ (22)
Items not Requiring Working Capital - Depreciation	441	26	73	---	402	33
Loss (Gain) on Disposal of Fixed Assets	---	---	---	---	---	---
Working Capital Provided by Operations Before Extraordinary Item	983	(293)	(1,428)	(178)	(291)	11
Extraordinary Item - Loss on Extinguishment of Debt	---	---	---	---	---	---
Working Capital Provided by Operations	983	(293)	(1,428)	(178)	(291)	11
Decrease in Long-Term Assets	---	---	---	---	---	---
Decrease in Restricted Assets	325	---	---	---	---	---
Increase in Payables From Restricted Assets	82	---	---	---	---	---
Increase in Long-Term Liabilities	---	186	506	---	255	1
Increase in Contributed Capital	---	---	---	---	---	---
Proceeds from Sale of Fixed Assets	---	---	---	---	---	---
Total Sources of Working Capital	1,390	(107)	(922)	(178)	(36)	12
Uses of Working Capital						
Acquisition of Property, Plant and Equipment	---	28	170	---	1,885	56
Increase in Long-Term Assets	---	---	---	---	---	---
Increase in Restricted Assets	---	---	---	---	---	---
Decrease in Payables From Restricted Assets	---	---	---	---	---	---
Decrease in Long-Term Liabilities	270	---	---	---	---	---
Total Uses of Working Capital	270	28	170	---	1,885	56
Net Increase (Decrease) in Working Capital	$ 1,120	$ (135)	$ (1,092)	$ (178)	$ (1,921)	$ (44)
Elements of Net Increase (Decrease) in Working Capital						
Cash and Cash Equivalents	$ 1,187	$ (190)	$ 35	$ (178)	$ (1,304)	$ (30)
Accounts Receivable	(1)	100	(1,309)	---	(385)	(20)
Interest Receivable	6	---	---	---	2	---
Due From Other Funds	---	---	---	---	(1)	---
Inventory	(16)	(1)	34	---	(1)	(3)
Prepaid Items	---	---	---	---	---	1
Accounts Payable	(38)	(29)	227	---	(192)	6
Accrued Payroll	(6)	(4)	1	---	(35)	2
Due to Other Funds	---	(11)	(80)	---	3	---
Deferred Revenue	(12)	---	---	---	(8)	---
Net Increase (Decrease) in Working Capital	$ 1,120	$ (135)	$ (1,092)	$ (178)	$ (1,921)	$ (44)

Board of Public Buildings	Housing Development Commission	Higher Education Loan Authority	State Environmental Improvement and Energy Resources Authority	Health and Educational Facilities Authority	State Lottery	Other Enterprise	Totals June 30, 1988	Totals June 30, 1987
$ 7,457	$ 11,698	$ 1,401	$ (126)	$ (15,766)	$ (8,505)	$ 1,729	$ (4,283)	$ (159,156)
6,495	---	---	5	5	1,030	---	8,510	4,682
(2)	---	---	---	23	---	---	21	(2)
13,950	11,698	1,401	(121)	(15,738)	(7,475)	1,729	4,248	(154,476)
---	---	---	---	(64,687)	---	---	(64,687)	(6,424)
13,950	11,698	1,401	(121)	(80,425)	(7,475)	1,729	(60,439)	(160,900)
---	---	---	14	---	---	---	14	53,715
---	---	---	---	138,371	---	---	138,696	285,983
---	5,452	248	---	---	---	---	5,782	104,444
21,092	159,702	45,436	---	137,967	4	---	365,149	88,155
---	---	---	---	---	---	---	---	849
8	---	---	---	2	---	---	10	---
35,050	176,852	47,085	(107)	195,915	(7,471)	1,729	449,212	372,246
5,495	62	---	---	46	483	185	8,410	35,394
---	132,705	26,287	---	78,488	---	---	237,480	16,379
27,520	49,894	20,086	---	---	---	---	97,500	21,815
2,944	---	---	---	131,641	---	---	134,585	130,071
2	---	---	---	---	---	---	272	188,628
35,961	182,661	46,373	---	210,175	483	185	478,247	392,287
$ (911)	$ (5,809)	$ 712	$ (107)	$ (14,260)	$ (7,954)	$ 1,544	$ (29,035)	$ (20,041)
$ 288	$ (1,683)	$ 180	$ (271)	$ 40	$ (22,854)	$ 1,571	$ (23,209)	$ (10,236)
---	(747)	---	---	(27)	(497)	---	(2,886)	(1,733)
---	(2,009)	710	38	---	51	---	(1,202)	2,926
---	---	---	5	---	(6)	---	(2)	(22)
---	---	---	---	---	191	31	235	(591)
(8)	---	---	---	22	---	---	15	24
(653)	(427)	(178)	124	(14,329)	1,730	(45)	(13,804)	4,287
20	---	---	(3)	---	(8)	(5)	(38)	(42)
(548)	---	---	---	---	13,439	(8)	12,795	(13,889)
(10)	(943)	---	---	34	---	---	(939)	(765)
$ (911)	$ (5,809)	$ 712	$ (107)	$ (14,260)	$ (7,954)	$ 1,544	$ (29,035)	$ (20,041)

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
COMBINING BALANCE SHEET
OTHER ENTERPRISE FUNDS
June 30, 1988
(In Thousands of Dollars)

	Commodity Council Merchandising	State Fair Fees	Natural Resources Document Services	Historic Preservation Revolving	Industrial Development Board	Agriculture and Small Business Development Authority	Totals June 30, 1988	Totals June 30, 1987
ASSETS								
Cash and Cash Equivalents	$ 312	$ 63	$ 138	$ 678	$ 1,881	$ 2	$ 3,074	$ 1,503
Inventory	---	21	102	---	---	---	123	92
Land	---	---	---	185	---	---	185	---
Total Assets	$ 312	$ 84	$ 240	$ 863	$ 1,881	$ 2	$ 3,382	$ 1,595
LIABILITIES AND FUND EQUITY								
Liabilities:								
Accounts Payable	$ ---	$ 40	$ 10	$ ---	$ ---	$ 239	$ 289	$ 244
Accrued Payroll	1	16	---	---	---	---	17	12
Due to Other Funds	1	8	---	---	---	---	9	1
Total Liabilities	2	64	10	---	---	239	315	257
Fund Equity:								
Retained Earnings:								
Unreserved	310	20	230	863	1,881	(237)	3,067	1,338
Total Fund Equity	310	20	230	863	1,881	(237)	3,067	1,338
Total Liabilities and Fund Equity	$ 312	$ 84	$ 240	$ 863	$ 1,881	$ 2	$ 3,382	$ 1,595

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
OTHER ENTERPRISE FUNDS
For the Fiscal Year Ended June 30, 1988
(In Thousands of Dollars)

	Commodity Council Merchandising	State Fair Fees	Natural Resources Document Services	Historic Preservation Revolving	Industrial Development Board	Agriculture and Small Business Development Authority	Totals June 30, 1988	Totals June 30, 1987
Operating Revenues:								
Licenses, Fees and Permits	$ 4,242	$ 1,227	$ 146	$ ---	$ 2,124	$ 7	$ 7,746	$ 2,110
Sales	---	---	---	---	---	---	---	128
Leases and Rentals	---	384	---	---	---	---	384	303
Miscellaneous Revenues	---	---	---	10	---	---	10	---
Total Operating Revenues	4,242	1,611	146	10	2,124	7	8,140	2,541
Operating Expenses:								
Personal Services	47	463	---	---	---	---	510	442
Operations	8	1,005	63	1	352	87	1,516	1,599
Inventories	1	89	15	---	---	---	105	162
Specific Programs	4,178	---	---	---	30	---	4,208	---
Other Charges	---	87	---	---	---	---	87	294
Total Operating Expenses	4,234	1,644	78	1	382	87	6,426	2,497
Operating Income (Loss)	8	(33)	68	9	1,742	(80)	1,714	44
Non-Operating Revenues:								
Interest	---	---	---	---	15	---	15	3
Total Non-Operating Revenues	---	---	---	---	15	---	15	3
Income (Loss) Before Operating Transfers	8	(33)	68	9	1,757	(80)	1,729	47
Operating Transfers:								
Operating Transfers In	---	---	---	---	---	---	---	1,000
Operating Transfers Out	---	---	---	---	---	---	---	(364)
Net Operating Transfers	---	---	---	---	---	---	---	636
Net Income (Loss)	8	(33)	68	9	1,757	(80)	1,729	683
Retained Earnings - Beginning	302	53	162	854	124	(157)	1,338	731
Prior Period Adjustment	---	---	---	---	---	---	---	(76)
Retained Earnings - Ending	$ 310	$ 20	$ 230	$ 863	$ 1,881	$ (237)	$ 3,067	$ 1,338

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
OTHER ENTERPRISE FUNDS
For the Fiscal Year Ended June 30, 1988
(In Thousands of Dollars)

	Commodity Council Merchandising	State Fair Fees	Natural Resources Document Services	Historic Preservation Revolving	Industrial Development Board	Agriculture and Small Business Development Authority	Totals June 30, 1988	Totals June 30, 1987
Sources of Working Capital								
Operations:								
Net Income (Loss)	$ 8	$ (33)	$ 68	$ 9	$ 1,757	$ (80)	$ 1,729	$ 683
Working Capital Provided by Operations	8	(33)	68	9	1,757	(80)	1,729	683
Total Sources of Working Capital	8	(33)	68	9	1,757	(80)	1,729	683
Uses of Working Capital								
Acquisition of Property, Plant and Equipment	---	---	---	185	---	---	185	---
Total Uses of Working Capital	---	---	---	185	---	---	185	---
Net Increase (Decrease) in Working Capital	$ 8	$ (33)	$ 68	$ (176)	$ 1,757	$ (80)	$ 1,544	$ 683
Elements of Net Increase (Decrease) in Working Capital:								
Cash and Cash Equivalents	$ (4)	$ (27)	$ 20	$ (176)	$ 1,757	$ 1	$ 1,571	$ 775
Accounts Receivable	---	---	---	---	---	---	---	(7)
Inventory	---	14	17	---	---	---	31	(14)
Accounts Payable	13	(8)	31	---	---	(81)	(45)	(84)
Accrued Payroll	(1)	(4)	---	---	---	---	(5)	8
Due to Other Funds	---	(8)	---	---	---	---	(8)	5
Net Increase (Decrease) in Working Capital	$ 8	$ (33)	$ 68	$ (176)	$ 1,757	$ (80)	$ 1,544	$ 683

The notes to the financial statements are an integral part of this statement.

Internal Service Funds account for the financing of goods or services provided by one department or agency to other departments or agencies of the governmental unit on a cost-reimbursement basis.

Office of Administration Revolving - Accounts for the following operations: printing services, flight operations, vehicle management, garage services, data processing and telecommunication services, building and grounds, insurance services and personnel administration.

Working Capital Revolving - Accounts for the operation of correctional industry programs and correctional farm programs.

Microfilming Service Revolving - Accounts for microfilming service operation.

Self-Insurance Plan - Accounts for highway and highway patrol moneys used to pay workers compensation claims. Moneys are also used to pay auto liability claims against the Department of Highways and Transportation.

General Government Revolving - Accounts for various service operations of the House of Representatives, Supreme Court, Adjutant General, Senate, Treasurer and Department of Corrections and Human Resources.

Social Services Administrative Trust - Accounts for moneys transferred or paid to the Department of Social Services from any governmental entity or the public for goods and services provided.

STATE OF MISSOURI
COMBINING BALANCE SHEET
ALL INTERNAL SERVICE FUNDS
June 30, 1988
(In Thousands of Dollars)

	Office of Administration Revolving	Working Capital Revolving	Microfilming Service Revolving	Self-Insurance Plan	General Government Revolving	Social Services Administrative Trust	Totals June 30, 1988	Totals June 30, 1987
ASSETS								
Cash and Cash Equivalents	$ 2,577	$ 5,235	$ 64	$ 5,086	$ 334	$ 145	$ 13,441	$ 10,363
Accounts Receivable	3,426	2,147	28	115	120	---	5,836	5,385
Prepaid Items	---	---	---	84	---	---	84	241
Inventory	434	2,898	34	---	---	---	3,366	2,927
Land	---	41	---	---	---	---	41	41
Buildings	---	761	---	---	---	---	761	734
Accumulated Depreciation	---	(490)	---	---	---	---	(490)	(462)
Equipment	2,118	5,759	402	---	5	409	8,693	7,069
Accumulated Depreciation	(1,164)	(2,986)	(168)	---	(5)	(82)	(4,405)	(3,911)
Total Assets	$ 7,391	$ 13,365	$ 360	$ 5,285	$ 454	$ 472	$ 27,327	$ 22,387
LIABILITIES AND FUND EQUITY								
Liabilities:								
Accounts Payable	$ 1,857	$ 709	$ 18	$ 3,555	$ 61	$ 118	$ 6,318	$ 3,990
Accrued Payroll	14	---	---	---	---	---	14	7
Due to Other Funds	43	54	1	---	11	---	109	90
Deferred Revenue	---	---	---	323	---	---	323	297
Accrued Leave Liability	139	242	---	---	---	---	381	359
Obligations Under Lease/Purchase	184	---	184	---	---	---	368	4
Total Liabilities	2,237	1,005	203	3,878	72	118	7,513	4,747
Fund Equity:								
Contributed Capital	571	3,456	---	125	---	---	4,152	4,136
Retained Earnings:								
Unreserved	4,583	8,904	157	1,282	382	354	15,662	13,504
Total Fund Equity	5,154	12,360	157	1,407	382	354	19,814	17,640
Total Liabilities and Fund Equity	$ 7,391	$ 13,365	$ 360	$ 5,285	$ 454	$ 472	$ 27,327	$ 22,387

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
ALL INTERNAL SERVICE FUNDS
For the Fiscal Year Ended June 30, 1988
(In Thousands of Dollars)

	Office of Administration Revolving	Working Capital Revolving	Microfilming Service Revolving	Self-Insurance Plan	General Government Revolving	Social Services Administrative Trust	Totals June 30, 1988	Totals June 30, 1987
Operating Revenues:								
Licenses, Fees and Permits	$ ---	$ ---	$ ---	$ ---	$ 1	$ ---	$ 1	$ 15
Sales	---	11,991	---	---	88	---	12,079	11,003
Leases and Rentals	---	99	---	---	23	---	122	131
Services	19,641	---	227	---	20	---	19,888	21,575
Miscellaneous Revenues	6	---	2	15	1,216	---	1,239	1,194
Total Operating Revenues	19,647	12,090	229	15	1,348	---	33,329	33,918
Operating Expenses:								
Personal Services	2,739	3,851	90	---	589	---	7,269	6,571
Operations	16,351	5,797	64	366	1,278	740	24,596	22,955
Inventories	287	243	75	---	21	---	626	721
Specific Program	---	---	---	3,572	---	---	3,572	2,323
Depreciation	289	403	81	---	---	82	855	720
Other Charges	88	12	---	5	---	2	107	120
Total Operating Expenses	19,754	10,306	310	3,943	1,888	824	37,025	33,410
Operating Income (Loss)	(107)	1,784	(81)	(3,928)	(540)	(824)	(3,696)	508
Non-Operating Revenues (Expenses):								
Contributions and Intergovernmental	---	---	---	---	---	1,123	1,123	---
Interest	(20)	---	---	227	5	---	212	35
Disposal of Fixed Assets	---	---	(13)	---	---	---	(13)	---
Total Non-Operating Revenues (Expenses)	(20)	---	(13)	227	5	1,123	1,322	35
Income Before Operating Transfers	(127)	1,784	(94)	(3,701)	(535)	299	(2,374)	543
Operating Transfers:								
Operating Transfers In	2	---	---	4,702	---	---	4,704	2,757
Operating Transfers Out	(20)	---	(8)	---	(144)	---	(172)	(31)
Net Operating Transfers	(18)	---	(8)	4,702	(144)	---	4,532	2,726
Net Income	(145)	1,784	(102)	1,001	(679)	299	2,158	3,269
Retained Earnings - Beginning	4,728	7,120	259	281	1,061	55	13,504	10,089
Prior Period Adjustment	---	---	---	---	---	---	---	146
Retained Earnings - Ending	$ 4,583	$ 8,904	$ 157	$ 1,282	$ 382	$ 354	$ 15,662	$ 13,504

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
ALL INTERNAL SERVICE FUNDS
For the Fiscal Year Ended June 30, 1988
(In Thousands of Dollars)

	Office of Administration Revolving	Working Capital Revolving	Microfilming Service Revolving	Self-Insurance Plan	General Government Revolving	Social Services Administrative Trust	Totals June 30, 1988	Totals June 30, 1987
Sources of Working Capital								
Operations:								
Net Income	$ (145)	$ 1,784	$ (102)	$ 1,001	$ (679)	$ 299	$ 2,158	$ 3,269
Items not Requiring Working Capital -								
Depreciation	289	403	81	---	---	82	855	720
Loss on Disposal of Fixed Assets	---	---	13	---	---	---	13	---
Working Capital Provided by Operations	144	2,187	(8)	1,001	(679)	381	3,026	3,989
Increase in Long-Term Liabilities	191	11	184	---	---	---	386	33
Increase in Contributed Capital	16	---	---	---	---	---	16	125
Total Sources of Working Capital	351	2,198	176	1,001	(679)	381	3,428	4,147
Uses of Working Capital								
Acquisition of Property, Plant and Equipment	429	963	196	---	---	409	1,997	1,215
Total Uses of Working Capital	429	963	196	---	---	409	1,997	1,215
Net Increase (Decrease) in Working Capital	$ (78)	$ 1,235	$ (20)	$ 1,001	$ (679)	$ (28)	$ 1,431	$ 2,932
Elements of Net Increase (Decrease) in Working Capital								
Cash and Cash Equivalents	$ 169	$ 642	$ (15)	$ 2,899	$ (635)	$ 18	$ 3,078	$ 5,844
Accounts Receivable	(134)	442	9	115	19	---	451	(1,089)
Prepaid Items	---	---	---	(157)	---	---	(157)	241
Inventory	(7)	453	(7)	---	---	---	439	(157)
Accounts Payable	(92)	(295)	(7)	(1,829)	(59)	(46)	(2,328)	(1,611)
Accrued Payroll	(7)	---	---	---	---	---	(7)	6
Due to Other Funds	(8)	(7)	---	---	(4)	---	(19)	(9)
Deferred Revenue	1	---	---	(27)	---	---	(26)	(293)
Net Increase (Decrease) in Working Capital	$ (78)	$ 1,235	$ (20)	$ 1,001	$ (679)	$ (28)	$ 1,431	$ 2,932

The notes to the financial statements are an integral part of this statement.

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Agency and Trust Funds account for assets held by a governmental unit in a trustee or an agency capacity.

Agency Funds:

State Retirement Contributions - Accounts for receipt of contributions from various State funds which are to be transferred to the Missouri State Employees' Retirement System Trust Fund.

Social Security Contributions - Accounts for receipt of contributions from various State funds for the State's share of social security contributions which is due to the Federal Social Security Administration.

Deferred Compensation - Accounts for deposits from State employees which are invested for the benefit of the employees until properly authorized to distribute.

Program - Accounts for the receipt of various taxes, refundable deposits and other moneys to be held until the State has the right or obligation to distribute them to various entities or individuals.

Institution - Accounts for deposits to various institutional accounts and other receipts held by the State until there is proper authorization to disburse them directly to others.

Non-Expendable Trust Funds:

Confederate Memorial Park - Accounts for the income from investments acquired by gifts, donations and bequests to be used for the maintenance of the Confederate Memorial Park.

State Public School- Accounts for all moneys, bonds, lands and other properties belonging to or donated to the State for public school use in establishing and maintaining free public schools.

Smith Memorial Endowment Trust - Accounts for moneys bequeathed for the use and benefit of the crippled children's service.

Expendable Trust Funds:

Agriculture Emergency - Accounts for trust assets from the Federal Secretary of Agriculture to be used for investment in secured agricultural loans or government bonds for emergency agricultural relief and rehabilitation purposes.

Babler State Park - Accounts for assets donated, bequeathed or devised to the State for the benefit of the Doctor Edmund A. Babler Memorial State Park used solely for the maintenance and development of this park.

School for the Blind - Accounts for grants, gifts, donations or bequests for the sole use of the Missouri School for the Blind.

School for the Deaf - Accounts for grants, gifts, donations or bequests for the sole use of the Missouri School for the Deaf.

Institution Gift Trust - Accounts for grants, gifts, donations, devises or bequests to various institutions to be spent as requested by the donor.

Crippled Children's Service - Accounts for moneys from various sources to be used for expenses of crippled children's services.

Johnson-Travis Memorial Trust- Accounts for all moneys, stocks and securities given to the State by Miss Pansy Johnson or for the benefit of the Pansy Johnson-Travis Memorial State Gardens. Moneys will be used solely to establish, develop and maintain the gardens.

Handicapped Children's Trust - Accounts for grants, gifts, donations or bequests to be spent as requested by the donor for handicapped children.

Unclaimed Property - Accounts for money unpaid or unclaimed within one year after final settlement of any executor or administrator, assignee, sheriff or receiver and all unclaimed deposits, dividends and interest of banks unable to locate the owners.

Unemployment Compensation - Accounts for contributions and payments collected under the provisions of the unemployment compensation law to pay benefits.

Pension and Insurance Trust Funds:

Missouri State Employees' Retirement System - Accounts for retirement, survivor and disability benefits paid to employees of the State.

Highway Employees' and Highway Patrol Retirement System - Accounts for retirement, survivor and disability benefits paid to Department of Highway employees and members of the Missouri State Highway Patrol.

Missouri State Employees' Medical Care and Life Insurance Program - Accounts for the medical care and death benefits provided on a self-insured basis for State employees.

Highway Employees' and Highway Patrol Insurance Plan - Accounts for the medical coverage provided on a self-insured basis and death benefits provided on an insured basis to Department of Highway employees and members of the Missouri State Highway Patrol.

STATE OF MISSOURI
COMBINING BALANCE SHEET
ALL AGENCY AND TRUST FUNDS
June 30, 1988
(In Thousands of Dollars)

	Agency	Non-Expendable Trust	Expendable Trust	Pension and Insurance Trust	Totals June 30, 1988	Totals June 30, 1987
ASSETS						
Cash and Cash Equivalents	$118,463	$ 504	$ 387,259	$ 800	$ 507,026	$ 461,694
Investments	117,166	9,726	8,326	1,627,009	1,762,227	1,493,061
Accounts Receivable	23,009	---	2,589	16,721	42,319	46,186
Interest and Dividends Receivable	69	5	141	17,697	17,912	9,505
Due from Other Funds	21,824	1	10	11,803	33,638	30,422
Prepaid Expenses	---	---	---	---	---	1
Inventory	---	---	1	---	1	1
Loans Receivable	---	---	1,727	---	1,727	2,041
Land	---	---	---	71	71	71
Buildings	---	---	---	1,140	1,140	1,127
Accumulated Depreciation	---	---	---	(57)	(57)	(28)
Equipment	---	---	---	906	906	905
Accumulated Depreciation	---	---	---	((332)	(332)	(286)
Total Assets	$280,531	$ 10,236	$ 400,053	$1,675,758	$2,366,578	$2,044,700
LIABILITIES AND FUND EQUITY						
Liabilities:						
Cash Overdraft	$ ---	$ ---	$ ---	$ ---	$ ---	$ 8,580
Accounts Payable	13,203	60	3,671	101,101	118,035	82,621
Accrued Payroll	---	---	1	---	1	---
Due to Other Entities	123,501	---	---	---	123,501	96,727
Due to Individuals	126,455	---	---	---	126,455	99,952
Due to Other Funds	17,372	---	7	---	17,379	12,684
Deferred Revenue	---	---	35	1,542	1,577	1,674
Accrued Vacation	---	---	---	70	70	101
Total Liabilities	280,531	60	3,714	102,713	387,018	302,339
Fund Equity:						
Fund Balances:						
Reserved for Inventory	---	---	1	---	1	1
Reserved for Retirement System	---	---	---	1,574,507	1,574,507	1,349,425
Reserved for Insurance Benefits	---	---	---	2,429	2,429	9,860
Reserved for Loans Receivable	---	---	1,727	---	1,727	2,041
Reserved for Unclaimed Properties	---	---	1,008	---	1,008	1,008
Unreserved	---	10,176	393,603	(3,891)	399,888	380,026
Total Fund Equity	---	10,176	396,339	1,573,045	1,979,560	1,742,361
Total Liabilities and Fund Balances	$280,531	$ 10,236	$ 400,053	$1,675,758	$2,366,578	$2,044,700

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
COMBINING BALANCE SHEET
ALL AGENCY FUNDS
June 30, 1988
(In Thousands of Dollars)

	State Retirement Contributions	Social Security Contributions	Deferred Compensation	Program	Institution	Totals June 30, 1988	Totals June 30, 1987
ASSETS							
Cash and Cash Equivalents	$ ---	$ 102	$ 1,892	$ 110,648	$ 5,821	$118,463	$ 99,123
Investments	---	---	116,498	509	159	117,166	91,954
Accounts Receivable	---	---	---	23,009	---	23,009	9,482
Interest Receivable	---	---	---	69	---	69	44
Due from Other Funds	11,803	5,659	---	4,362	---	21,824	19,164
Total Assets	$ 11,803	$ 5,761	$ 118,390	$ 138,597	$ 5,980	$280,531	$219,767
LIABILITIES							
Protested Taxes	$ ---	$ ---	$ ---	$ 13,203	$ ---	$ 13,203	$ 10,701
Due to Other Entities	---	5,761	---	117,740	---	123,501	96,727
Due to Individuals	---	---	118,390	2,085	5,980	126,455	99,952
Due to Other Funds	11,803	---	---	5,569	---	17,372	12,387
Total Liabilities	$ 11,803	$ 5,761	$ 118,390	$ 138,597	$ 5,980	$280,531	$219,767

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
For the Fiscal Year Ended June 30, 1988
(In Thousands of Dollars)

	Balance July 1, 1987	Additions	Deductions	Balance June 30, 1988
STATE RETIREMENT CONTRIBUTIONS				
ASSETS				
Due from Other Funds	$ 10,652	$ 140,142	$ 138,991	$ 11,803
LIABILITIES				
Due to Other Funds	$ 10,652	$ 140,142	$ 138,991	$ 11,803
SOCIAL SECURITY CONTRIBUTIONS				
ASSETS				
Cash and Cash Equivalents	$ 102	$ ---	$ ---	$ 102
Due from Other Funds	5,204	67,541	67,086	5,659
Total Assets	$ 5,306	$ 67,541	$ 67,086	$ 5,761
LIABILITIES				
Due to Other Entities	$ 5,306	$ 67,541	$ 67,086	$ 5,761
DEFERRED COMPENSATION				
ASSETS				
Cash and Cash Equivalents	$ 1,667	$ 1,892	$ 1,667	$ 1,892
Investments	91,321	26,858	1,681	116,498
Total Assets	$ 92,988	$ 28,750	$ 3,348	$ 118,390
LIABILITIES				
Due to Individuals	$ 92,988	$ 28,750	$ 3,348	$ 118,390
PROGRAM				
ASSETS				
Cash and Cash Equivalents	$ 92,289	$1,194,806	$1,176,447	$ 110,648
Investments	446	63	---	509
Accounts Receivable	9,482	653,214	639,687	23,009
Interest Receivable	44	4,080	4,055	69
Due from Other Funds	3,308	4,362	3,308	4,362
Total Assets	$ 105,569	$1,856,525	$1,823,497	$ 138,597
LIABILITIES				
Protested Taxes Payable	$ 10,701	$ 3,979	$ 1,477	$ 13,203
Due to Other Entities	91,421	1,639,785	1,613,466	117,740
Due to Individuals	1,712	7,538	7,165	2,085
Due to Other Funds	1,735	205,223	201,389	5,569
Total Liabilities	$ 105,569	$1,856,525	$1,823,497	$ 138,597
INSTITUTION				
ASSETS				
Cash and Cash Equivalents	$ 5,068	$ 49,275	$ 48,522	$ 5,821
Investments	186	---	27	159
Total Assets	$ 5,254	$ 49,275	$ 48,549	$ 5,980
LIABILITIES				
Due to Individuals	$ 5,254	$ 49,275	$ 48,549	$ 5,980
TOTALS - ALL AGENCY FUNDS				
ASSETS				
Cash and Cash Equivalents	$ 99,126	$1,245,973	$1,226,636	$ 118,463
Investments	91,953	26,921	1,708	117,166
Accounts Receivable	9,482	653,214	639,687	23,009
Interest Receivable	44	4,080	4,055	69
Due from Other Funds	19,164	212,045	209,385	21,824
Total Assets	$ 219,769	$2,142,233	$2,081,471	$ 280,531
LIABILITIES				
Protested Taxes Payable	$ 10,701	$ 3,979	$ 1,477	$ 13,203
Due to Other Entities	96,727	1,707,326	1,680,552	123,501
Due to Individuals	99,954	85,563	59,062	126,455
Due to Other Funds	12,387	345,365	340,380	17,372
Total Liabilities	$ 219,769	$2,142,233	$2,081,471	$ 280,531

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
COMBINING BALANCE SHEET
ALL NON-EXPENDABLE TRUST FUNDS
June 30, 1988
(In Thousands of Dollars)

	Confederate Memorial Park	State Public School	Smith Memorial Endowment Trust	Totals June 30, 1988	Totals June 30, 1987
ASSETS					
Cash and Cash Equivalents	$ 57	$ 14	$ 433	$ 504	$ 531
Investments	7	9,719	---	9,726	9,383
Interest Receivable	---	---	5	5	4
Due from Other Funds	---	---	1	1	293
Total Assets	$ 64	$ 9,733	$ 439	$ 10,236	$ 10,211
LIABILITIES					
Accounts Payable	$ ---	$ ---	$ 60	$ 60	$ ---
Total Liabilities	---	---	60	60	---
FUND BALANCES					
Unreserved	64	9,733	379	10,176	10,211
Total Fund Balances	64	9,733	379	10,176	10,211
Total Liabilities and Fund Balances	$ 64	$ 9,733	$ 439	$ 10,236	$ 10,211

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES
ALL NON-EXPENDABLE TRUST FUNDS
For the Fiscal Year Ended June 30, 1988
(In Thousands of Dollars)

	Confederate Memorial Park	State Public School	Smith Memorial Endowment Trust	Totals June 30, 1988	Totals June 30, 1987
Operating Revenues:					
Interest, Penalties and Unclaimed Properties	$ 4	$ 27	$ 25	$ 56	$ 40
Total Operating Revenues	4	27	25	56	40
Operating Expenses:					
Operations	---	33	60	93	60
Total Operating Expenses	---	33	60	93	60
Operating Income (Loss)	4	(6)	(35)	(37)	(20)
Non-Operating Revenues (Expenses):					
Contributions and Intergovernmental	---	---	---	---	1
Total Non-Operating Revenues (Expenses)	---	---	---	---	1
Income (Loss) Before Operating Transfers	4	(6)	(35)	(37)	(19)
Operating Transfers In	---	---	2	2	466
Net Income (Loss)	4	(6)	(33)	(35)	447
Fund Balances - Beginning	60	9,739	412	10,211	9,768
Prior Period Adjustments	---	---	---	---	(4)
Fund Balances - Ending	$ 64	$ 9,733	$ 379	$ 10,176	$ 10,211

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
ALL NON-EXPENDABLE TRUST FUNDS
For the Fiscal Year Ended June 30, 1988
(In Thousands of Dollars)

	Confederate Memorial Park	State Public School	Smith Memorial Endowment Trust	Totals June 30, 1988	Totals June 30, 1987
Sources of Working Capital					
Operations:					
Net Income (Loss)	$ 4	$ (6)	$ (33)	$ (35)	$ 447
Working Capital Provided by Operations	4	(6)	(33)	(35)	447
Total Sources of Working Capital	4	(6)	(33)	(35)	447
Uses of Working Capital					
Increase in Long-Term Assets	---	343	---	343	267
Total Uses of Working Capital	---	343	---	343	267
Net Increase (Decrease) in Working Capital	$ 4	$ (349)	$ (33)	$ (378)	$ 180
Elements of Net Increase (Decrease) in Working Capital					
Cash and Cash Equivalents	$ 4	$ (57)	$ 26	$ (27)	$ (114)
Interest Receivable	---	---	1	1	1
Due from Other Funds	---	(292)	---	(292)	293
Accounts Payable	---	---	(60)	(60)	---
Net Increase (Decrease) in Working Capital	$ 4	$ (349)	$ (33)	$ (378)	$ 180

The notes to the financial statements are an integral part of this statement.

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STATE OF MISSOURI
COMBINING BALANCE SHEET
ALL EXPENDABLE TRUST FUNDS
June 30, 1988
(In Thousands of Dollars)

	Agriculture Emergency	Babler State Park	School for the Blind	School for the Deaf	Institution Gift Trust
ASSETS					
Cash and Cash Equivalents	$ 125	$ 472	$ 166	$ ---	$ 1,719
Investments	4,063	362	3,597	140	---
Accounts Receivable	---	---	---	---	---
Interest Receivable	14	1	45	1	15
Due from Other Funds	---	---	---	---	2
Inventory	---	1	---	---	---
Loans Receivable	1,727	---	---	---	---
Total Assets	$ 5,929	$ 836	$ 3,808	$ 141	$ 1,736
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	$ 17	$ 9	$ 79	$ ---	$ 71
Accrued Payroll	---	---	---	---	1
Due to Other Funds	3	3	---	---	1
Deferred Revenue	---	---	24	---	2
Total Liabilities	20	12	103	---	75
Fund Balances:					
Reserved for Inventory	---	1	---	---	---
Reserved for Loans Receivable	1,727	---	---	---	---
Reserved for Unclaimed Properties	---	---	---	---	---
Unreserved	4,182	823	3,705	141	1,661
Total Fund Balances	5,909	824	3,705	141	1,661
Total Liabilities and Fund Balances	$ 5,929	$ 836	$ 3,808	$ 141	$ 1,736

Crippled Children's Service	Johnson-Travis Memorial Trust	Handicapped Children's Trust	Unclaimed Property	Unemployment Compensation	Totals June 30, 1988	Totals June 30, 1987
$ 126	$ 175	$ ---	$ 4,828	$ 379,648	$387,259	$361,686
---	23	141	---	---	8,326	8,169
---	---	---	---	2,589	2,589	3,652
---	2	1	62	---	141	126
---	---	---	8	---	10	313
---	---	---	---	---	1	1
---	---	---	---	---	1,727	2,041
$ 126	$ 200	$ 142	$ 4,898	$ 382,237	$400,053	$375,988
$ 125	$ ---	$ ---	$ 105	$ 3,265	$ 3,671	$ 2,773
---	---	---	---	---	1	---
---	---	---	---	---	7	297
---	---	1	8	---	35	53
125	---	1	113	3,265	3,714	3,123
---	---	---	---	---	1	1
---	---	---	---	---	1,727	2,041
---	---	---	1,008	---	1,008	1,008
1	200	141	3,777	378,972	393,603	369,815
1	200	141	4,785	378,972	396,339	372,865
$ 126	$ 200	$ 142	$ 4,898	$ 382,237	$400,053	$375,988

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL EXPENDABLE TRUST FUNDS
For the Fiscal Year Ended June 30, 1988
(In Thousands of Dollars)

	Agriculture Emergency	Babler State Park	School for the Blind	School for the Deaf	Institution Gift Trust
Revenues:					
Licenses, Fees and Permits	$ ---	$ 52	$ ---	$ ---	$ ---
Leases and Rentals	---	3	---	---	---
Services	---	---	---	---	---
Contributions and Intergovernmental	---	---	703	8	803
Interest, Penalties and Unclaimed Properties	539	65	63	3	64
Miscellaneous Revenues	---	---	---	---	9
Total Revenues	539	120	766	11	876
Expenditures:					
Current:					
General Government	40	---	---	---	14
Education	---	---	231	6	---
Natural and Economic Resources	504	248	---	---	---
Human Services	---	---	---	---	413
Capital Outlay	13	13	464	7	151
Total Expenditures	557	261	695	13	578
Excess Revenues (Expenditures)	(18)	(141)	71	(2)	298
Other Financing Sources (Uses):					
Operating Transfers In	---	---	---	---	59
Operating Transfers Out	---	---	---	---	(3)
Total Other Financing Sources (Uses)	---	---	---	---	56
Excess Revenues and Other Sources (Expenditures and Other Uses)	(18)	(141)	71	(2)	354
Fund Balances - Beginning	5,927	965	3,634	143	1,307
Increase (Decrease) in Reserve for Inventory	---	---	---	---	---
Fund Balances - Ending	$ 5,909	$ 824	$ 3,705	$ 141	$ 1,661

Crippled Children's Service	Johnson-Travis Memorial Trust	Handicapped Children's Trust	Unclaimed Property	Unemployment Compensation	Totals June 30, 1988	Totals June 30, 1987
$ ---	$ ---	$ ---	$ ---	$ ---	$ 52	$ 105
---	---	---	---	---	3	2
62	---	---	---	---	62	41
7	8	21	---	227,020	228,570	275,205
---	12	2	6,170	31,219	38,137	36,849
18	---	---	---	239	266	257
87	20	23	6,170	258,478	267,090	312,459
---	---	---	1,414	---	1,468	1,472
---	---	14	---	---	251	176
---	---	---	---	235,637	236,389	749
112	---	---	---	---	525	244,728
---	---	1	---	---	649	311
112	---	15	1,414	235,637	239,282	247,436
(25)	20	8	4,756	22,841	27,808	65,023
---	1	---	66	---	126	150
---	---	---	(4,457)	---	(4,460)	(4,212)
---	1	---	(4,391)	---	(4,334)	(4,062)
(25)	21	8	365	22,841	23,474	60,961
26	179	133	4,420	356,131	372,865	311,905
---	---	---	---	---	---	(1)
$ 1	$ 200	$ 141	$ 4,785	$ 378,972	$ 396,339	$ 372,865

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
COMBINING BALANCE SHEET
ALL PENSION AND INSURANCE TRUST FUNDS
June 30, 1988
(In Thousands of Dollars)

	Missouri State Employees' Retirement System	Highway Employees' and Highway Patrol Retirement System	Missouri State Employees' Medical Care and Life Insurance Program	Highway Employees' and Highway Patrol Insurance Plan	Totals June 30, 1988	Totals June 30, 1987
ASSETS						
Cash and Cash Equivalents	$ ---	$ 364	$ ---	$ 436	$ 800	$ 354
Investments	1,264,717	348,141	8,480	5,671	1,627,009	1,383,555
Accounts Receivable	15,464	1,044	128	85	16,721	33,052
Interest and Dividends Receivable	9,087	8,448	65	97	17,697	9,331
Due from Other Funds	7,978	---	3,825	---	11,803	10,652
Prepaid Expenses	---	---	---	---	---	1
Land	71	---	---	---	71	71
Buildings	1,140	---	---	---	1,140	1,127
Accumulated Depreciation	(57)	---	---	---	(57)	(28)
Equipment	906	---	---	---	906	905
Accumulated Depreciation	(332)	---	---	---	(332)	(286)
Total Assets	$1,298,974	$ 357,997	$ 12,498	$ 6,289	$1,675,758	$1,438,734
LIABILITIES AND FUND EQUITY						
Liabilities:						
Cash Overdraft	$ ---	$ ---	$ ---	$ ---	$ ---	$ 8,580
Accounts Payable	82,295	128	15,563	3,115	101,101	69,147
Deferred Revenues	---	---	797	745	1,542	1,621
Accrued Vacation	41	---	29	---	70	101
Total Liabilities	82,336	128	16,389	3,860	102,713	79,449
Fund Equity:						
Fund Balances:						
Reserved for Retirement System	1,216,638	357,869	---	---	1,574,507	1,349,425
Reserved for Insurance Benefits	---	---	---	2,429	2,429	9,860
Unreserved	---	---	(3,891)	---	(3,891)	---
Total Fund Equity	1,216,638	357,869	(3,891)	2,429	1,573,045	1,359,285
Total Liabilities and Fund Equity	$1,298,974	$ 357,997	$ 12,498	$ 6,289	$1,675,758	$1,438,734

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES
ALL PENSION AND INSURANCE TRUST FUNDS
For the Fiscal Year Ended June 30, 1988
(In Thousands of Dollars)

	Missouri State Employees' Retirement System	Highway Employees' and Highway Patrol Retirement System	Missouri State Employees' Medical Care and Life Insurance Program	Highway Employees' and Highway Patrol Insurance Plan	Totals June 30, 1988	Totals June 30, 1987
Operating Revenues:						
Employer Contributions	$ 148,995	$ 40,925	$ 45,462	$ 4,496	$ 239,878	$ 150,577
Employee Contributions	---	1	20,702	8,989	29,692	26,857
Reimbursement for Benefits Paid	9,085	---	---	---	9,085	15,239
Investment Income	52,170	41,603	791	525	95,089	208,009
Miscellaneous Revenues	623	871	267	---	1,761	8,431
Total Operating Revenues	210,873	83,400	67,222	14,010	375,505	409,113
Operating Expenses:						
Personal Services	721	---	487	---	1,208	1,038
Operations	5,456	668	2,792	490	9,406	9,509
Retirement and Insurance Benefits	43,536	18,649	71,682	17,103	150,970	106,697
Unfunded Benefits	---	---	---	---	---	15,239
Employee Refunds	26	---	---	---	26	44
Depreciation	111	---	---	---	111	113
Total Operating Expenses	49,850	19,317	74,961	17,593	161,721	132,640
Operating Income (Loss)	161,023	64,083	(7,739)	(3,583)	213,784	276,473
Non-Operating Revenues (Expenses):						
Disposal of Fixed Assets	(24)	---	---	---	(24)	(9)
Total Non-Operating Revenues (Expenses)	(24)	---	---	---	(24)	(9)
Net Income (Loss)	160,999	64,083	(7,739)	(3,583)	213,760	276,464
Fund Balances - Beginning	1,055,639	293,786	3,848	6,012	1,359,285	1,082,821
Fund Balances - Ending	$1,216,638	$ 357,869	$ (3,891)	$ 2,429	$1,573,045	$1,359,285

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
ALL PENSION AND INSURANCE TRUST FUNDS
For the Fiscal Year Ended June 30, 1988
(In Thousands of Dollars)

	Missouri State Employees' Retirement System	Highway Employees' and Highway Patrol Retirement System	Missouri State Employees' Medical Care and Life Insurance Program	Highway Employees' and Highway Patrol Insurance Plan	Totals June 30, 1988	Totals June 30, 1987
Sources of Working Capital						
Operations:						
Net Income (Loss)	$ 160,999	$ 64,083	$ (7,739)	$ (3,583)	$ 213,760	$ 276,464
Items not Requiring Working Capital - Depreciation	111	---	---	---	111	113
Loss on Disposal of Fixed Assets	24	---	---	---	24	9
Working Capital Provided by Operations	161,134	64,083	(7,739)	(3,583)	213,895	276,586
Decrease in Long-Term Assets	---	---	4,497	3,865	8,362	1,988
Increase in Long-Term Liabilities	---	---	---	---	---	42
Total Sources of Working Capital	161,134	64,083	(3,242)	282	222,257	278,616
Uses of Working Capital						
Acquisition of Property, Plant and Equipment	74	---	---	---	74	1,511
Increase in Long-Term Assets	196,763	55,053	---	---	251,816	263,371
Decrease in Long-Term Liabilities	17	---	14	---	31	---
Total Uses of Working Capital	196,854	55,053	14	---	251,921	264,882
Net Increase (Decrease) in Working Capital	$ (35,720)	$ 9,030	$ (3,256)	$ 282	$ (29,664)	$ 13,734
Elements of Net Increase (Decrease) in Working Capital						
Cash and Cash Equivalents	$ ---	$ 240	$ ---	$ 206	$ 446	$ (99)
Accounts Receivable	(16,485)	368	(298)	84	(16,331)	14,425
Interest and Dividends Receivable	273	8,448	(163)	(192)	8,366	1,005
Due from Other Funds	667	---	484	---	1,151	787
Prepaid Expenses	---	(1)	---	---	(1)	(18)
Cash Overdraft	7,999	---	581	---	8,580	(3,082)
Accounts Payable	(28,174)	(25)	(3,928)	173	(31,954)	978
Deferred Revenues	---	---	68	11	79	(262)
Net Increase (Decrease) in Working Capital	$ (35,720)	$ 9,030	$ (3,256)	$ 282	$ (29,664)	$ 13,734

The notes to the financial statements are an integral part of this statement.

The General Fixed Assets Account Group is a self-balancing group of accounts which account for the general fixed assets of the State.

STATE OF MISSOURI
SCHEDULE OF GENERAL FIXED ASSETS
BY SOURCES
June 30, 1988
(In Thousands of Dollars)

General Fixed Assets	
Land	$ 257,864
Land Improvements	19,641
Buildings	576,073
Equipment	363,855
Construction In Progress	36,116
Total General Fixed Assets	$1,253,549
Investment in General Fixed Assets from:	
General Fund Revenues	$ 601,524
Special Revenue Fund Revenues	309,139
Capital Projects Funds:	
General Obligation Bonds	130,632
Federal Grants	109,895
State Grants	99,572
Expendable Trust Fund Revenues	2,787
Total Investment in General Fixed Assets	$1,253,549

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
SCHEDULE OF GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
For the Fiscal Year Ended June 30, 1988
(In Thousands of Dollars)

Function and Activity	Land	Land Improvements	Buildings	Equipment	Totals
General Government:					
Legislative	$ ---	$ ---	$ 10	$ 6,957	$ 6,967
Judicial	---	---	---	3,712	3,712
Executive	---	---	---	4,631	4,631
Administrative	2,439	263	33,356	4,630	40,688
Revenue	---	---	---	12,292	12,292
Natural and Economic Resources:					
Agriculture	13	438	11,426	5,165	17,042
Conservation	189,188	619	21,257	26,767	237,831
Economic Development	---	---	877	4,897	5,774
Labor and Industrial Relations	1,302	280	12,736	9,654	23,972
Natural Resources	43,846	10,882	14,412	17,204	86,344
Education:					
Elementary and Secondary	626	465	38,284	12,645	52,020
Higher Education	---	---	---	915	915
Transportation and Law Enforcement:					
Highways and Transportation	5,443	569	42,950	144,212	193,174
Public Safety	2,951	---	45,799	35,233	83,983
Human Services:					
Mental Health	8,726	1,401	158,025	32,835	200,987
Social Services	647	20	3,827	13,991	18,485
Health	696	143	23,600	16,363	40,802
Corrections and Human Resources	1,987	4,561	169,514	11,752	187,814
Total General Fixed Assets Allocated to Functions	$257,864	$ 19,641	$ 576,073	$ 363,855	1,217,433
Construction In Progress					36,116
Total General Fixed Assets					$1,253,549

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
For the Fiscal Year Ended June 30, 1988
(In Thousands of Dollars)

Function and Activity	General Fixed Assets 7/1/87	Adjustments	Additions	Deletions	General Fixed Assets 6/30/88
General Government:					
Legislative	$ 5,512	$ 1,317	$ 147	$(9)	$ 6,967
Judicial	2,787	53	872	---	3,712
Executive	4,485	40	114	(8)	4,631
Administrative	40,749	(252)	191	---	40,688
Revenue	10,418	---	1,880	(6)	12,292
Natural and Economic Resources:					
Agriculture	6,827	2,128	8,144	(57)	17,042
Conservation	226,124	(1,451)	15,690	(2,532)	237,831
Economic Development	3,834	1,903	145	(108)	5,774
Labor and Industrial Relations	23,391	---	806	(225)	23,972
Natural Resources	80,728	(4)	5,983	(363)	86,344
Education:					
Elementary and Secondary	45,987	1,066	5,166	(199)	52,020
Higher Education	732	72	122	(11)	915
Transportation and Law Enforcement:					
Highways and Transportation	181,292	52	19,017	(7,187)	193,174
Public Safety	77,130	(181)	14,272	(7,238)	83,983
Human Services:					
Mental Health	192,260	(1,890)	10,815	(198)	200,987
Social Services	17,392	367	773	(47)	18,485
Health	38,525	(38)	2,582	(267)	40,802
Corrections and Human Resources	124,569	5,089	58,169	(13)	187,814
Total General Fixed Assets Allocated to Functions	1,082,742	8,271	144,888	(18,468)	1,217,433
Construction In Progress	35,023	---	82,653	(81,560)	36,116
Total General Fixed Assets	$ 1,117,765	$ 8,271	$ 227,541	$(100,028)	$ 1,253,549

The notes to the financial statements are an integral part of this statement.

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The General Long-Term Debt Account Group is a self-balancing group of accounts which account for the unmatured general long-term debt of the State.

STATE OF MISSOURI
STATEMENT OF CHANGES IN GENERAL LONG-TERM DEBT
For the Fiscal Year Ended June 30, 1988
(In Thousands of Dollars)

	Balance July 1, 1987	Change In General Obligation Bonds	Debt Service Fund Operations	Increase In Accrued Leave	Change In Pension Benefits	Change In Due to Other Entities	Change In Lease/ Purchase Agreements	Balance June 30, 1988
Amount Available in Debt Service Funds	$ 72,399	$ ---	$ 9,563	$ ---	$ ---	$ ---	$ ---	$ 81,962
Amount to Be Provided for Retirement of General Long-Term Debt	1,238,655	117,805	(9,563)	1,119	(112,198)	(6,589)	(750)	1,228,479
Total Available and to Be Provided	$1,311,054	$ 117,805	$ ---	$ 1,119	$(112,198)	$ (6,589)	$ (750)	$1,310,441
Due to Other Entities	$ 16,024	$ ---	$ ---	$ ---	$ ---	$ (6,589)	$ ---	$ 9,435
General Obligation Debt Payable	686,525	117,805	---	---	---	---	---	804,330
Obligations Under Lease/ Purchases	63,351	---	---	---	---	---	(750)	62,601
Accrued Compensated Absences and Pension Benefits	545,154	---	---	1,119	(112,198)	---	---	434,075
Total General Long-Term Debt	$1,311,054	$ 117,805	$ ---	$ 1,119	$(112,198)	$ (6,589)	$ (750)	$1,310,441

The notes to the financial statements are an integral part of this statement.

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College and University Funds account for all transactions relating to institutions of higher education.

Current Funds:

Restricted - Accounts for resources restricted by the donor or external agency for a specific use or program at the university.

Unrestricted - Accounts for currently expendable resources which may be either designated or not designated by the university for specific purposes.

Fiduciary Funds:

Loan - Accounts for resources provided by the Federal government, private gifts and other university funds, which are available for loans to students.

Endowment - Accounts for resources and related transactions which are invested in accordance with donor restrictions and only the income earned thereon may be expended. Quasi-endowments are expendable but primarily are held for specified purposes. All earnings are currently expendable for restricted purposes and are reported in the Restricted Fund of Current Funds. All realized gains and losses on sales of investments in this fund group are treated as principal transactions.

Retirement - Accounts for resources set aside by the university under a retirement, disability and death benefit plan for employees.

Agency - Accounts for payroll withholdings, other employee benefit programs, and amounts held in custody for students, university-related organizations and others.

Plant Funds:

Unexpended - Accounts for the various unexpended resources to finance the acquisition and/or repair or replacement of long-lived plant assets.

Renewal and Replacement - Accounts for renewal and replacement of those facilities constructed from bond proceeds which remain governed under a related bond indenture of trust.

Debt Retirement - Accounts for the resources restricted to interest and principal payments and other debt service charges related to plant indebtedness.

Net Investment in Plant - Accounts for all long-lived assets in the service of the institution and all construction in progress and their associated liabilities.

STATE OF MISSOURI
COMBINING BALANCE SHEET
ALL COLLEGE AND UNIVERSITY FUNDS
June 30, 1988
(In Thousands of Dollars)

	Current			Endowment and Similar	Retirement and Similar	Agency	Plant	Totals	
	Unrestricted	Restricted	Loan					June 30, 1988	June 30, 1987
ASSETS									
Cash and Cash Equivalents	$ 46,904	$ 17,975	$11,227	$ 6,672	$ 45,926	$ 7,338	$ 85,517	$ 221,559	$ 212,524
Investments	8,028	196	2	119,696	514,609	3,730	---	646,261	586,018
Receivables	77,689	12,944	53,658	345	---	541	66,908	212,085	247,111
Due from Other Funds	4,590	224	141	---	---	158	43	5,156	2,589
Inventory and Prepaid Items	25,808	110	---	---	---	15	34	25,967	22,607
Deferred Debt Expense	---	---	---	---	---	---	555	555	602
Discount on Bonds	---	---	---	---	---	---	97	97	106
Construction In Progress	---	---	---	---	---	---	82,458	82,458	95,799
Land and Improvements	---	---	---	---	---	---	67,223	67,223	61,629
Building and Improvements	---	---	---	---	---	---	916,770	916,770	814,274
Equipment	---	---	---	---	---	---	338,301	338,301	281,077
Library Books	---	---	---	---	---	---	106,433	106,433	99,692
Total Assets	$ 163,019	$ 31,449	$65,028	$ 126,713	$ 560,535	$ 11,782	$1,664,339	$2,622,865	$2,424,028
LIABILITIES AND FUND EQUITY									
Liabilities:									
Bank Overdraft	$ 1,209	$ 65	$ ---	$ ---	$ ---	$ 90	$ ---	$ 1,364	$ 1,158
Accounts Payable	45,202	4,084	9	33	17,596	5,003	12,524	84,451	76,674
Due to Other Funds	2,600	876	73	369	---	84	1,154	5,156	2,589
Deferred Revenues	24,606	16	---	---	---	4	---	24,626	22,567
Deposits	1,171	---	---	---	---	---	---	1,171	1,261
Funds Held for Others	---	---	---	---	---	6,601	---	6,601	5,634
Capital Lease Obligations	---	---	---	---	---	---	38,848	38,848	18,616
Bonds and Notes Payable	---	---	---	---	---	---	167,535	167,535	148,517
Total Liabilities	74,788	5,041	82	402	17,596	11,782	220,061	329,752	277,016
Fund Equity:									
Investment in Plant	---	---	---	---	---	---	1,312,543	1,312,543	1,184,589
Fund Balances:									
Reserved for Colleges and Universities	18,059	26,408	64,682	102,032	542,939	---	65,911	820,031	819,754
Unreserved	70,172	---	264	24,279	---	---	65,824	160,539	142,669
Total Fund Equity	88,231	26,408	64,946	126,311	542,939	---	1,444,278	2,293,113	2,147,012
Total Liabilities and Fund Equity	$ 163,019	$ 31,449	$65,028	$ 126,713	$ 560,535	$ 11,782	$1,664,339	$2,622,865	$2,424,028

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
COMBINING BALANCE SHEET
ALL COLLEGE AND UNIVERSITY PLANT FUNDS
June 30, 1988
(In Thousands of Dollars)

	Unexpended	Renewals and Replacements	Retirement of Indebtedness	Investment in Plant	Totals June 30, 1988	Totals June 30, 1987
ASSETS						
Cash and Cash Equivalents	$ 30,811	$ 24,292	$ 30,414	$ ---	$ 85,517	$ 78,453
Accounts Receivable	53,696	10,391	2,821	---	66,908	106,363
Due from Other Funds	25	1	17	---	43	104
Inventory and Prepaid Items	---	---	---	34	34	111
Deferred Charges	---	---	555	---	555	602
Discount on Bonds	---	---	97	---	97	106
Construction In Progress	12,481	---	---	69,977	82,458	95,799
Land and Improvements	---	---	---	67,223	67,223	61,629
Buildings and Improvements	---	---	---	916,770	916,770	814,274
Equipment	---	---	---	338,301	338,301	281,077
Library Books	---	---	---	106,433	106,433	99,692
Total Assets	97,013	34,684	33,904	1,498,738	1,664,339	1,538,210
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts Payable	7,985	2,296	2,243	---	12,524	14,690
Due to Other Funds	1,134	---	20	---	1,154	157
Capital Lease Obligations	---	---	---	38,848	38,848	18,616
Bonds and Notes Payable	15,132	187	4,869	147,347	167,535	148,517
Total Liabilities	24,251	2,483	7,132	186,195	220,061	181,980
Fund Equity:						
Net Investment in Plant	---	---	---	1,312,543	1,312,543	1,184,589
Fund Balances:						
Reserved for Plant Funds	36,289	14,324	15,298	---	65,911	127,160
Unreserved	36,473	17,877	11,474	---	65,824	44,481
Total Fund Equity	72,762	32,201	26,772	1,312,543	1,444,278	1,356,230
Total Liabilities and Fund Equity	$ 97,013	$ 34,684	$ 33,904	$1,498,738	$1,664,339	$1,538,210

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
COMBINING STATEMENT OF CHANGES IN FUND EQUITY
ALL COLLEGE AND UNIVERSITY PLANT FUNDS
For the Fiscal Year Ended June 30, 1988
(In Thousands of Dollars)

	Unexpended	Renewals and Replacements	Retirement of Indebtedness	Investment in Plant	Totals June 30, 1988	Totals June 30, 1987
Revenues and Other Additions:						
Tuition and Fees	$ ---	$ ---	$ 212	$ ---	$ 212	$ 491
State Appropriations, Grants and Contracts	16,319	8,685	---	---	25,004	25,906
Federal Grants and Contracts	255	---	77	---	332	1,241
Private Gifts, Grants and Contracts	2,577	78	9	4,783	7,447	14,239
Investment Income	2,539	583	1,502	---	4,624	3,525
Expended for Plant Facilities	149	---	---	116,863	117,012	102,762
Retirement of Indebtedness	5	---	482	13,355	13,842	17,900
Interest Income	292	---	52	---	344	---
Other Additions	1,489	52	93	4,165	5,799	25,783
Total Revenues and Other Additions	23,625	9,398	2,427	139,166	174,616	191,847
Expenditures and Other Deductions:						
Expended for Plant Facilities	88,365	22,113	---	2,100	112,578	119,488
Retirement of Indebtedness	383	---	13,180	1,483	15,046	33,451
Interest on Indebtedness	143	---	11,058	140	11,341	8,749
Disposal of Plant Facilities	---	---	---	2,093	2,093	1,820
Other Deductions	29	1,937	5	458	2,429	1,244
Total Expenditures and Other Deductions	88,920	24,050	24,243	6,274	143,487	164,752
Transfers Among Funds - Additions (Deductions)	27,415	11,557	22,885	(4,938)	56,919	44,373
Net Increase (Decrease) in Fund Equity	(37,880)	(3,095)	1,069	127,954	88,048	71,468
Fund Equity - Beginning	110,642	35,296	25,703	1,184,589	1,356,230	1,288,103
Prior Period Adjustments	---	---	---	---	---	(3,341)
Fund Equity - Ending	$ 72,762	$ 32,201	$ 26,772	$1,312,543	$1,444,278	$1,356,230

The notes to the financial statements are an integral part of this statement.

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The Statistical Section presents data relating to physical, economical and political characteristics to provide report users with a broader and more complete understanding of the State government.

STATE OF MISSOURI
REVENUES BY SOURCE AND EXPENDITURES BY FUNCTION
ALL GOVERNMENTAL FUND TYPES (1)
For the Last Ten Fiscal Years
(In Thousands of Dollars)

Revenues by Source	Fiscal Years Ended June 30									
	1988	1987	1986	1985	1984	1983	1982	1981	1980	1979
Taxes	$4,079,040	$3,600,200	$3,337,740	$3,089,972	$2,899,532	$2,395,405	$2,136,062	$1,962,168	$1,916,077	$1,832,851
Licenses, Fees and Permits	292,717	285,291	271,638	252,509	202,327	183,721	178,155	156,392	192,107	168,276
Sales	12,826	12,409	15,084	9,712	7,117	6,742	6,926	6,609	5,495	4,037
Leases and Rentals	1,008	1,026	1,067	930	991	906	973	4,943	1,055	1,522
Services	64,939	56,169	47,240	74,993	38,146	41,303	42,106	55,899	10,156	9,239
Contributions and Intergovernmental	1,517,320	1,532,902	1,444,620	1,371,712	1,189,283	1,063,977	994,273	1,051,937	1,071,539	832,222
Interest, Penalties and Unclaimed Properties	87,557	83,594	76,263	82,991	60,095	45,788	65,890	55,470	73,177	50,620
Miscellaneous Revenues	8,190	11,963	11,420	11,895	27,798	12,613	3,566	2,633	1,117	1,000
Total Revenues	6,063,597	5,583,554	5,205,072	4,894,714	4,425,289	3,750,455	3,427,951	3,296,051	3,270,723	2,899,767
Expenditures by Function										
General Government	361,777	341,115	282,386	262,399	247,412	271,602	237,121	237,029	191,880	161,165
Education	2,489,140	2,257,574	2,078,683	1,854,944	1,748,984	1,417,981	1,270,204	1,279,493	1,147,698	1,008,059
Natural and Economic Resources	376,158	371,590	278,578	245,467	227,536	132,717	128,959	139,096	120,045	91,859
Transportation and Law Enforcement	790,798	760,015	849,691	725,587	577,942	514,818	443,744	492,194	575,604	510,597
Human Services	1,829,450	1,710,691	1,611,564	1,524,323	1,489,766	1,313,077	1,213,949	1,231,762	1,071,273	882,438
Capital Outlay	268,005	316,309	192,444	138,187	119,682	83,903	125,123	140,063	133,919	90,108
Debt Service	70,668	48,865	32,700	23,245	15,484	7,860	7,866	5,621	5,613	10,044
Total Expenditures	6,185,996	5,806,159	5,326,046	4,774,152	4,426,806	3,741,958	3,426,966	3,525,258	3,246,032	2,754,270
Excess Revenues (Expenditures)	$ (122,399)	$ (222,605)	$ (120,974)	$ 120,562	$ (1,517)	$ 8,497	$ 985	$ (229,207)	$ 24,691	$ 145,497

(1) Includes General, Special Revenue, Debt Service and Capital Projects Funds.

STATE OF MISSOURI
REVENUES BY SOURCE AND EXPENDITURES BY FUNCTION
GENERAL REVENUE FUND
For the Last Ten Fiscal Years
(In Thousands of Dollars)

Revenues by Source	Fiscal Years Ended June 30									
	1988	1987	1986	1985	1984	1983	1982	1981	1980	1979
Taxes	$3,044,611	$2,723,749	$2,502,476	$2,327,853	$2,185,866	$1,911,058	$1,782,596	$1,625,932	$1,586,019	$1,491,671
Licenses, Fees and Permits	45,453	44,232	40,060	35,384	34,479	32,354	33,672	19,138	56,380	38,263
Sales	2,057	2,176	2,216	2,276	2,116	1,871	1,305	5,102	1,258	2,963
Leases and Rentals	111	115	46	56	52	61	76	738	830	1,340
Services	64,939	56,169	47,200	74,991	36,525	30,487	42,103	55,899	4,682	4,381
Contributions and Intergovernmental	1,849	942	2,181	8,458	485	4,773	4,509	1,829	16,880	9,305
Interest, Penalties and Unclaimed Properties	30,606	29,918	44,619	48,641	32,239	25,192	39,581	36,275	52,024	32,262
Miscellaneous Revenues	5,296	8,125	10,574	7,560	11,746	1,580	1,562	1,989	605	688
Total Revenues	3,194,922	2,865,426	2,649,372	2,505,219	2,303,508	2,007,376	1,905,404	1,746,902	1,718,678	1,580,873
Expenditures by Function										
General Government	238,478	233,719	198,250	175,872	171,828	203,690	178,017	182,883	138,463	107,035
Education	772,614	678,961	608,301	535,813	481,564	387,303	352,575	378,967	343,582	303,994
Natural and Economic Resources	65,592	61,008	56,415	45,535	38,867	36,853	37,189	42,523	37,685	31,922
Transportation and Law Enforcement	22,928	21,707	19,914	17,293	15,176	17,521	13,597	12,621	10,975	9,086
Human Services	1,048,198	966,570	881,629	791,515	773,564	678,891	641,852	656,349	578,224	468,032
Capital Outlay	72,641	118,987	48,671	21,402	20,784	24,268	41,458	44,257	21,187	12,311
Total Expenditures	2,220,451	2,080,952	1,813,180	1,587,430	1,501,783	1,348,526	1,264,688	1,317,600	1,130,116	932,380
Excess Revenues (Expenditures)	$ 974,471	$ 784,474	$ 836,192	$ 917,789	$ 801,725	$ 658,850	$ 640,716	$ 429,302	$ 588,562	$ 648,493

STATE OF MISSOURI
TAXES

The Constitution of Missouri, Article X, Section 8, provides general guidelines for property taxes within the State. It limits the State tax on real and tangible personal property to ten cents on each hundred dollars assessed valuation, excluding any tax necessary to pay any bonded debt of the State.

Presently there is a State property tax of three cents on each hundred dollars assessed valuation on all real estate and tangible personal property in the State. This tax collects approximately eleven million dollars a year and is paid into the Blind Pension Fund for the pensions of the deserving blind.

Assessed and Estimated Actual Value of Taxable Property
For the Last Ten Years
(In Thousands of Dollars)

	Assessed Value				Total Taxable Property	
Year (3)	Real Estate	Tangible Personal Property	Distributable Property of Public Utility Companies	Merchants and Manufacturers	Assessed Value (1)	Estimated Actual Value (2)
1987	$24,585,909	$ 6,769,004	$ 2,796,121	$ N/A	$34,151,034	$144,212,456
1986	23,039,991	6,168,173	2,742,665	N/A	31,950,829	136,537,449
1985	22,530,833	5,586,957	2,633,679	N/A	30,751,469	132,156,356
1984	12,546,995	4,281,307	1,944,012	2,171,843	20,944,157	62,832,471
1983	12,171,828	3,897,142	2,008,943	1,795,321	19,873,234	59,619,702
1982	11,932,774	3,383,247	2,074,073	1,920,679	19,310,773	57,932,319
1981	11,615,343	3,244,137	2,165,527	1,776,379	18,801,386	56,404,158
1980	11,354,978	3,053,600	2,110,810	1,644,526	18,163,914	54,491,742
1979	10,880,302	2,804,524	2,072,941	1,505,578	17,263,345	51,790,035
1978	10,413,672	2,515,285	2,023,690	1,332,300	16,284,947	48,854,841

(1) Data Source: State Tax Commission of Missouri.

(2) (1977 - 1984) Based on taxable property assessed at 33 1/3%.
(1985-1987) Based on residential property assessed at 19%, agricultural property assessed at 12% and commercial property assessed at 32%.

(3) The data for 1988 is not available until December, 1988.

STATE OF MISSOURI
DEBT

The limitations on State debts and bond issues are contained in the Constitution of Missouri, Article III, Section 37. This section restricts the general assembly from contracting or authorizing the contracting of any liability of the State or the issuing of bonds therefore, except:

1. To refund outstanding bonds, the refunding bonds must have a maturity date of not more than twenty-five years from the date of issue.

2. Upon the recommendation of the governor for a temporary liability incurred by an unforeseen emergency or casual deficiency in revenues for an amount not to exceed one million dollars for any one year and to be paid in five years or less.

3. When the liability exceeds one million dollars, the general assembly as on constitutional amendments, or the people by the initiative, may submit a measure containing the amount, purpose and terms of the liability and if the measure is approved by a majority of those voting the liability may be incurred and the bonds issued must be retired within twenty-five years from the date of issue.

Computation of Legal Debt Margin
June 30, 1988
(In Thousands of Dollars)

General Obligation Bonds Authorized	$950,000
Unforeseen Emergency or Casual Deficiency	1,000
Less General Obligation Bonds Issued	839,494
Legal Debt Margin	$111,506

STATE OF MISSOURI
RATIO OF ANNUAL DEBT SERVICE FOR GENERAL BONDED
DEBT TO TOTAL EXPENDITURES
ALL GOVERNMENTAL FUND TYPES (1)
For the Last Ten Fiscal Years
(In Thousands of Dollars Except Ratio Data)

For the Fiscal Year Ended June 30	Debt Service	Total Expenditures	Ratio
1988	$70,668	$ 6,185,996	1.14%
1987	48,865	5,806,159	0.84
1986	32,700	5,326,046	0.61
1985	23,245	4,774,152	0.49
1984	15,484	4,426,806	0.35
1983	7,860	3,741,958	0.21
1982	7,866	3,426,966	0.23
1981	5,621	3,525,258	0.16
1980	5,613	3,246,032	0.17
1979	10,044	2,754,270	0.36

(1) Includes General, Special Revenue, Debt Service and Capital Projects Funds.

STATE OF MISSOURI
RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE
AND NET GENERAL BONDED DEBT PER CAPITA
For the Last Ten Fiscal Years
(In Thousands of Dollars Except Ratio and Per Capita Data)

For the Fiscal Year Ended June 30	Population (1)	Assessed Value (2)	General Bond Debt			Net General Bonded Debt	
			Total	Less Debt Service Monies Available	Net	Ratio to Assessed Value	Per Capita
1988	5,132	$ N/A	$804,330	$81,962	$722,368	N/A	$140.76
1987	5,100	34,151,034	686,525	72,399	614,126	1.80	120.42
1986	5,066	31,950,829	308,920	52,671	256,249	0.80	50.58
1985	5,029	30,751,469	315,515	35,958	279,557	0.91	55.59
1984	5,008	20,944,157	225,920	24,931	200,989	0.96	40.13
1983	4,963	19,873,234	134,970	14,337	120,633	0.61	24.31
1982	4,942	19,310,773	78,135	9,669	68,466	0.35	13.85
1981	4,939	18,801,386	81,270	8,727	72,543	0.39	14.69
1980	4,917	18,163,914	63,745	6,497	57,248	0.32	11.64
1979	4,912	17,263,345	66,100	6,728	59,372	0.34	12.09

N/A - Information not available.

Data Sources:

(1) U.S. Department of Commerce - Bureau of the Census.

(2) State Tax Commission of Missouri - For the year ended December 31.

STATE OF MISSOURI
REVENUE BOND COVERAGE
For the Last Ten Fiscal Years
(In Thousands of Dollars Except Coverage Data)

Fiscal Year	Gross Revenue(1)	Direct Operating Expenses(2)	Net Revenue Available For Debt Service	Debt Service Requirements			
				Principal	Interest	Total	Coverage
1988	$ 853,955	$ 16,206	$ 837,749	$ 517,854	$195,646	$713,500	1.17
1987	382,577	13,320	369,257	231,884	202,370	434,254	0.85
1986	434,614	10,917	423,697	311,383	174,441	485,824	0.87
1985	333,540	11,564	321,976	164,709	162,886	327,595	0.98
1984	381,589	12,655	368,934	150,016	148,096	298,112	1.24
1983	327,668	5,752	321,916	136,210	111,944	248,154	1.30
1982	78,214	3,663	74,551	42,480	51,723	94,203	0.79
1981	65,563	2,579	62,984	5,548	43,519	49,067	1.28
1980	42,427	1,849	40,578	6,250	27,964	34,214	1.19
1979	25,058	1,644	23,414	2,332	16,304	18,636	1.26

(1) Operating and non-operating revenues.

(2) Operating expenses excluding interest on debt, depreciation and amortization.

STATE OF MISSOURI
ECONOMIC DATA

Industrial Growth

Year	Expanding Manufacturers	New Manufacturers	New Jobs	Investment (In Thousands)
1987	131	93	8,067	$ 649,962
1986	163	98	10,843	1,244,630
1985	123	94	13,997	501,833
1984	108	95	14,043	456,161
1983	105	69	18,390	1,229,961
1982	75	44	7,861	333,674
1981	53	20	5,272	379,653
1980	68	36	7,707	1,074,224
1979	117	75	15,656	426,766
1978	78	71	12,049	238,569

Data Source: Missouri Department of Economic Development.

Bank Deposits

Fiscal Year	State Banks	National Banks	Total Deposits (In Millions)
1988	$ 23,505	$ 20,413	$ 43,918
1987	21,819	21,300	43,119
1986	20,146	20,828	40,974
1985	21,156	15,931	37,087
1984	21,293	13,873	35,166
1983	19,590	12,359	31,949
1982	17,759	11,682	29,441
1981	16,248	10,487	26,735
1980	15,472	8,982	24,454
1979	14,194	8,264	22,458

Data Source: Missouri Department of Economic Development.

STATE OF MISSOURI
ECONOMIC DATA

Retail Sales By Store Group

Year	Food	Restaurants and Similar Establishments	General Merchandise	Furniture, Furnishings and Appliances	Automotive	Drugs	All Other	Totals (In Thousands)
1987	$6,392,678	$ 3,011,580	$ 4,526,673	$ 1,249,931	$7,683,533	$818,740	$8,316,116	$ 31,999,251
1986	6,597,049	2,776,871	4,251,511	1,276,243	8,136,650	848,085	7,986,271	31,872,680
1985	6,411,088	2,510,812	4,065,880	1,231,441	7,505,996	835,391	8,202,176	30,762,784
1984	6,122,058	2,389,506	3,857,903	1,137,898	6,558,673	754,458	7,777,143	28,597,639
1983	6,267,111	2,553,856	3,486,401	854,759	4,888,990	719,098	7,362,568	26,132,783
1982	5,676,291	2,423,053	3,372,225	828,368	4,113,365	710,745	6,990,342	24,114,389
1981	5,031,758	2,065,101	3,190,249	865,995	4,322,540	613,880	6,650,734	22,740,257
1980	4,402,430	1,903,377	2,869,402	792,403	4,223,102	518,268	6,042,552	20,751,534
1979	4,302,817	1,665,207	2,699,811	780,343	4,275,540	556,900	5,885,020	20,165,638
1978	3,616,325	1,419,932	2,773,746	751,657	4,362,446	474,266	4,962,156	18,360,528

Data Source: Reprinted by permission of Sales and Marketing Management Magazine, from the Survey of Buying Power. Copyright 1979-1988.

STATE OF MISSOURI
ECONOMIC DATA

Privately Owned Housing Units Authorized By Building Permits

Year	Number of Units	Valuation (In Thousands)
1987	29,085	$ 1,642,861
1986	33,208	1,585,970
1985	27,236	1,180,604
1984	24,817	1,018,073
1983	18,687	806,981
1982	11,544	436,208
1981	9,879	361,178
1980	13,621	458,743
1979	19,384	656,708
1978	29,065	895,888

Data Source: U.S. Department of Commerce - Bureau of the Census.

Major Manufacturing Employers

The State's 10 major private manufacturing employers and the approximate number employed by each in 1987 were as follows:

Employer	Number Employed
1. McDonnell Douglas Corporation	35,000-40,000
2. General Motors Corporation	10,000-15,000
3. The Bendix Corporation (Allied Corporation)	7,000-10,000
4. Ford Motor Company	7,000-10,000
5. Chrysler Motors Corporation	5,000- 6,000
6. Monsanto Company	5,000- 6,000
7. Brown Group, Incorporated	5,000- 6,000
8. Hallmark Cards, Incorporated	5,000- 6,000
9. AT&T Technologies, Incorporated	5,000- 6,000
10. Emerson Electric Company	3,000- 4,000

Data Source: Missouri Department of Economic Development.

STATE OF MISSOURI
DEMOGRAPHIC STATISTICS

Population Statistics

Year	Population (In Thousands)	% Change	% of Total Urban	% of Total Rural
1980	4,917	5.1%	68.1%	31.9%
1970	4,677	8.3	70.1	29.9
1960	4,320	9.2	66.6	33.4
1950	3,955	4.5	61.5	38.5
1940	3,785	4.3	51.8	48.2
1930	3,629	6.6	51.2	48.8
1920	3,404	3.4	46.6	53.4
1910	3,293	6.0	42.3	57.7
1900	3,107	16.0	36.3	63.7

Data Sources: U.S. Department of Commerce - Bureau of the Census.
U.S. Department of Commerce - Bureau of Economic Analysis.

School Enrollment

Academic Year	Elementary and Secondary Enrollment (1)	Higher Education Enrollment (2)	Totals (In Thousands)	% Change From Prior Year
1987-88	802	167	969	0.5%
1986-87	801	163	964	0.9
1985-86	795	160	955	0.0
1984-85	794	161	955	(0.8)
1983-84	795	168	963	(0.6)
1982-83	803	166	969	(1.7)
1981-82	819	166	985	(2.1)
1980-81	845	161	1,006	(1.9)
1979-80	873	152	1,025	(2.3)
1978-79	900	149	1,049	(9.6)

Data Sources: (1) Missouri Department of Elementary and Secondary Education.

(2) Missouri Department of Higher Education. These statistics are based on full-time equivalent enrollment and do not include professional/technical schools.

STATE OF MISSOURI
DEMOGRAPHIC STATISTICS

Personal Income

Year	Total Personal Income (In Millions)	Per Capita Personal Income	% Change From Prior Year
1987	$74,945	$14,687	5.3%
1986	70,618	13,946	5.2
1985	66,729	13,256	6.1
1984	62,525	12,494	8.6
1983	57,091	11,500	5.8
1982	53,723	10,868	5.5
1981	50,886	10,303	10.8
1980	45,764	9,296	7.9
1979	42,124	8,615	11.4
1978	37,665	7,732	11.6

Data Source: U.S. Department of Commerce - Bureau of Economic Analysis.

Employment
(In Thousands Except Unemployment Rates Data)

Year	Civilian Labor Force	Total Employed	Total Unemployed	Missouri Unemployment Rate	U.S. Unemployment Rate
1987	2,590	2,426	164	6.3%	6.2%
1986	2,528	2,374	154	6.1	7.0
1985	2,472	2,313	159	6.4	7.2
1984	2,379	2,207	172	7.2	7.5
1983	2,351	2,118	233	9.9	9.6
1982	2,311	2,097	214	9.3	9.7
1981	2,317	2,139	178	7.7	7.6
1980	2,270	2,103	167	7.3	7.1
1979	2,293	2,188	105	4.5	5.8
1978	2,262	2,148	114	5.0	6.1

Data Source: Missouri Department of Labor and Industrial Relations.